

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MARCH 25, 2004

Department of Information Services
Forum Building – Board Room
605 East 11th Street
Olympia, WA 98504
(360) 902-2991

AGENDA

Time: 8:30 a.m. to 3:00 p.m.

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
8:30-8:40	Welcome/Introductions	David Harrison	Get acquainted and review agenda and goals.
8:40-9:15	Minutes of January 29, 2004, Board Meeting	David Harrison	Board will act on minutes of January 29, 2004, Board Meeting.
	Chairperson's Report	David Harrison	Board will be updated on current issues of interest.
	Executive Director's Report	Ellen O'Brien Saunders	
	<i>Tab 1</i>		
9:00-10:15	<i>Workforce Training Results 2004</i>	John Bauer	Board will learn of the labor market and customer satisfaction results of major programs.
	<i>Tab 2</i>		
10:15-10:30	Break	All	Refresh
10:30-11:45	<i>High Skills, High Wages 2004: The Economy and Draft Agenda for Action</i>	John Bauer Madeleine Thompson	Board will approve the <i>High Skills, High Wages 2004</i> draft Agenda for Action for purposes of public review.
	<i>Tab 3</i>		
11:45-12:15	Workforce Board's Strategic Plan for 2005-07	David Harrison Ellen O'Brien Saunders	Board will review, revise, and approve draft for submission to OFM.
	<i>Tab 4</i>		

TIME	TOPIC	PRESENTER	DESIRED OUTCOME
12:15-1:00	Lunch	All	Refresh
1:00-1:30	Eligible Training Provider List Policy <i>Tab 5</i>	Bryan Wilson Karen Pyle	Board will adopt the Eligible Training Provider List policy for 2004-05.
1:30-2:00	Options for WIA 10% for Next Year <i>Tab 6</i>	Bryan Wilson Janet Bloom	Board will discuss options for use of the WIA 10% funds for next year. Action in May.
2:00-2:30	Options for Carl Perkins funds for next year <i>Tab 7</i>	Walt Wong Bryan Wilson	Board will discuss options for use of Carl Perkins funds for next year. Action in May
2:30-3:00	WorkKeys Presentation from Shoreline Community College	Pam Lund Cindi Price, Shoreline Community College Lynell Amundson Lower Columbia Community College Kim Cheatley Steelscape Tom Kilijanek ACT Inc.	Board will learn of WorkKeys.
3:00	Meeting Wrap Up and Adjournment	David Harrison	Board will recap its work and the work ahead.

TAB 1

Washington State Workforce Training and Education Coordinating Board
Minutes of Meeting No. 95
January 29, 2004

Chair David Harrison called the meeting to order at 8:39 a.m. at the Olympia Center in Olympia, Washington. The following board members were present:

David Harrison, Workforce Board Chair
Asbury Lockett, Business Representative
Julianne Hanner, Business Representative
Mike Hudson (Alternate for Don Brunell), Business Representative
Rick Bender, Labor Representative
John McGinnis, Labor Representative
Sylvia Mundy, Employment Security Department (ESD)
Rod Duckworth (Alternate for Terry Bergeson), Superintendent of Public Instruction (OSPI)
Jim Crabbe (Alternate for Earl Hale), State Board for Community and Technical Colleges (SBCTC)
Tony Lee, Targeted Populations
Ellen O'Brien Saunders, Executive Director

Welcome and Introductions

Mr. David Harrison welcomed the Board and guests and introductions were made.

Minutes of Board Meeting No. 94 – November 19, 2003

Mr. Harrison presented the minutes from the November 19, 2003 meeting.

Motion 04-95-01

A motion was made by Mr. Rick Bender and seconded by Mr. Mike Hudson that the Workforce Training and Education Coordinating Board (Workforce Board) minutes of November 19, 2003, be approved. The motion passed.

Chair's Report

Mr. Harrison reported on the dinner with legislators the previous evening and spoke about other contacts with key legislators. He also indicated that the legislator panel was well received at the Workforce Strategies Conference and noted that we plan to have such a panel again this year.

Mr. Harrison discussed the Workforce Board agency strategic plan development process and the work of the Board Budget Committee that met on January 28, 2004, to review the agency's Vision, Mission and Goals and offer edits, including noting some potential new objectives for the next biennial cycle. There will be more work by this committee and information will be brought before the Board at the March 25 meeting.

Mr. Hudson mentioned that the AWB Workforce Institute received funding for Job Corps in Washington State. There may be an opportunity to have a presentation to the Board on this at a future meeting.

Executive Director's Report

Ms. Ellen O'Brien Saunders reported on several other activities of the Workforce Board, including progress on the Section 503 Incentive Grants awards process and the work of the Integrated Performance Information project that met in New Orleans in early January. She also noted the upcoming Washington Award for Vocational Excellence (WAVE) 20th Anniversary celebration luncheons to be held in May. Board members will be contacted regarding their attendance at these events.

Ms. Saunders shared copies of a legislative report, noting the status on bills of interest to the Workforce Board, including the Higher Education Coordinating Board (HECB) master plan, K-12 reform, dual enrollments, and apprenticeship utilization.

Several new publications are now available, including *Progress 2003: A Report of the Health Care Personnel Shortage Task Force* and *Competitiveness and Opportunity: Public/Private Partnerships That Work*.

Eligible Training Provider List Policy

Mr. Bryan Wilson and Ms. Karen Pyle led a discussion on the Eligible Training Provider List (ETPL) policy. The Workforce Board sets the policy each year. The purpose for today is to discuss the proposed changes for later action at the March Board Meeting.

Mr. Wilson gave an overview of the current policy and outlined the proposed changes. Of particular note are the performance criteria and the effect of the current criteria on certain programs. Apprenticeship programs are among the programs most affected and the primary factor appears due to the length of the programs – many people leave training prior to completion as the programs are long and demanding. Workforce Board staff is not advocating for any major changes in performance standards. There is a proposal to increase the earnings level to match the new poverty level. The Board discussed the potential impacts of these changes and wanted more information about the programs that did not meet the earnings level last year. The Board also discussed these performance standards with regard to Apprenticeship programs and the difficulty of applying the same criteria of completion to these programs. Mr. Bender noted that it is important to encourage completion of Apprenticeship programs. Mr. Wilson noted that staff could look at Apprenticeship programs' utilization of the ETPL and Workforce Investment Act (WIA) vouchers.

Another major issue to consider for the ETPL policy is the reporting of performance results. The recommendation may be to have posting results on www.jobtrainingresults.org mandatory, with the possible exception of programs that have substantial placement into self-employment. Mr. Wilson indicated that he would contact the training providers on the ETPL in order to get their reaction to this option and share that information with the Board in March.

Employers' Needs and Practices: 2003 Survey Results

Mr. Wilson and Mr. James Hu presented the results of the recent survey of employers that will be finalized and published later this Spring. The response rate was good and fairly consistent across regions of the state. Mr. Wilson shared his appreciation for AWB's assistance in reaching out to employers to complete this survey. Commissioner Sylvia Mundy complimented Workforce Board staff on the improved response rate. Mr. Harrison said he would like to have staff identify the number of firms having difficulty hiring by the various educational levels.

The next step is publish this report, and to share the results organized by workforce development areas with the Workforce Development Councils (WDCs).

Boeing 7E7 Dreamliner Package

Ms. Robin Pollard, Assistant Director for the Economic Development Division of the Department of Community, Trade and Economic Development, presented on this topic for the Board. Ms. Pollard introduced other members of the 7E7 team, including Ms. Natalie Robbecke from the Boeing Company, Mr. Mike Porter from SBCTC, Ms. Pam Lund from the Workforce Board, and Mr. Gary Gallwas and Ms. Kathy Dijulio from ESD. Ms. Dijulio is the Workforce Development Coordinator for this project. A key aspect of this successful bid was the workforce component and includes a new Aerospace Futures Board (AFB), an Employment Resource Center that will be located near the Everett assembly site, and a degree program through the community and technical college system.

Mr. Harrison presented a resolution in support of the partnership to the Board and asked for questions and discussion. Mr. Bender asked about the source of funding, adherence to federal requirements, and monitoring of the funds, particularly if the new AFB will monitor funds and performance standards. Mr. Gallwas responded that ESD will monitor the funds. Mr. McGinnis asked about the Aerospace Manufacturing degree program and what type of worker this is aimed at. Mr. Porter responded that they do not know yet but will be working on this in collaboration with Boeing and Labor. Mr. McGinnis also asked about union representation on the AFB. Ms. Robbecke replied that conversations are occurring and existing labor/management joint programs will coordinate with the new AFB.

Motion 04-95-02

A motion was made by Mr. Hudson and seconded by Commissioner Mundy to accept the resolution to endorse this public-private partnership to ensure that the 7E7 Dreamliner benefits from the best aerospace workforce in the world. The motion passed.

Conversation with Governor Gary Locke

The Honorable Gary Locke, Governor, addressed the Board and congratulated all on their work on workforce development issues. Governor Locke highlighted the work on the Boeing 7E7, Industry Skill Panels and skill standards, and the budget challenges ahead. He raised the importance of educational opportunities for Washington's citizens and noted that it is really about improving the quality of the workforce in the state. Mr. Bender noted the issue of outsourcing jobs abroad and that we are now seeing this happen in white collar jobs. Mr. Bender asked what is the message to the future workforce? It seems like a race to the bottom. Governor

Locke responded that Washington State does a lot of exporting of goods and technology and that we are part of a global economy. He added that our agriculture businesses can compete because we add value. A successful and competitive economy will be increasingly knowledge-based, which makes the need to focus on education, training, and high academic standards so important.

Mr. Hudson thanked the Governor for his leadership and commitment on competitiveness issues and the support for the Competitiveness Council recommendations, Boeing 7E7, community college support and the Priorities of Government process.

Governor Locke announced the appointment of Mr. Gallwas as the new Deputy Commissioner at ESD. Ms. Janet Bloom has been named the new Assistant Commissioner for the Employment and Training Division.

Mr. Harrison invited Governor Locke to the upcoming WAVE ceremonies in May.

High Skills, High Wages 2004

Mr. Wilson and Ms. Madeleine Thompson informed the Board of the process for gaining stakeholder input on the update to *High Skills, High Wages 2004*. In the 2002 version of this plan, the Workforce Board placed an increased emphasis on services and results for target populations. Workgroups were formed for this purposes and that input was incorporated in the plan's strategies. Mr. Harrison noted the need to integrate the work of the agency strategic plan with *High Skills, High Wages* and the work identified at the 2003 Workforce Board Retreat. He also noted that the Workforce Strategies Conference is an ideal place to make this document come alive.

Ms. Thompson noted some of the areas for possible change and discussed the timeline for the completion of this document. Mr. Hudson noted Mr. Bender's earlier concern regarding outsourcing and suggested that *High Skills, High Wages* may be a place to address this issue.

Legislative Report

Ms. Saunders returned from a hearing at the Senate on the HECB master plan (SCR 8421). She noted that Senator Don Carlson had two amendments, including a deletion of any study on governance. Ms. Saunders testified SCR 8421 and in support of the latter amendments. Ms. Saunders also noted that Representative Phyllis Gutierrez Kenney also has a bill (HB 3103) that is very positive.

Workforce Development Council Recertification Criteria

Mr. Wilson presented background material to the Board on the process for recertification of the local WDCs and the criteria that was used in previous years. The membership appointments on the WDCs was discussed. Mr. Wilson also presented information on the delivery of services at the WDCs and the issue of separation of policy and service delivery. Material in the packets included charts reflecting the different organizational structures at the WDCs, which were noted as very helpful.

Mr. Wilson also described the recertification process and that a Board committee will review the WDC certifications later this Spring. Staff recommended no changes to the criteria or the service delivery, as local areas have crafted a variety of organizational structures to meet their local needs.

Motion 04-95-03

A motion was made by Mr. Hudson and seconded by Mr. Bender that the Workforce Board advise the Governor to make no changes on appointment criteria for the certification and recertification of the local WDCs. The motion passed.

Motion 04-95-04

A motion was made by Mr. McGinnis and seconded by Ms. Hanner that the Workforce Board advise the Governor to make no changes in the policy permitting chief local elected officials discretion regarding whether a Workforce Development Council or its staff may operate a One Stop Center or deliver WIA Title I-B services. The motion passed with Commissioner Mundy abstaining.

Motion 04-95-05

A motion was made by Mr. Bender and seconded by Mr. Asbury Lockett to use a Workforce Board committee to review and recommend recertification of WDCs with the Chair, naming Ms. Randy Loomans, Mr. Lockett, and a representative from ESD to this committee. The motion passed.

WIA Title I-B and Carl Perkins Vocational and Technical Education Performance Results on the State and Federal Core Indicators

Mr. Carl Wolfhagen and Mr. Wilson presented information on performance results for WIA Title I-B and Carl Perkins Vocational and Technical Education state and federal core indicators.

The Board discussed the Perkins targets and Mr. Wolfhagen noted that the changes in K-12 reporting (which has been more complete) have affected the performance results. The Workforce Board has high standards for data quality and there is better data now, but improved data may penalize the state. Mr. Harrison said that Washington State needs to be fairly treated in this process and asked about the potential of the loss of incentive funds due to the data collection issue. Mr. Wilson said there is another issue of how the Department of Education (DOE) is addressing the postsecondary targets and that the agency may want to protest their interpretation of the Perkins requirements. DOE only accepts percentages, but the law allows for the submission of absolute numbers. SBCTC and the Workforce Board's preference is to use the number of completers and Washington State achieved the targets using that methodology. If Washington's Adult Basic Education/Literacy results meet the targets for that program, then DOE's interpretation of Perkins would cost the state its eligibility for incentive funds that this year were \$3 million.

Local Area WIA Title I-B Performance Targets for Years 4 and 5

Mr. Wolfhagen presented information on the proposed WIA Title I-B performance targets for the local area WIA Title I-B for Years 4 and 5. He also described the negotiation process and noted that the negotiations are complete, with some modifications made from the Workforce Board staff's initial proposals. Board staff will use regression models to make any additional changes to account for changes in the economy and demographics. Ms. Saunders acknowledged Mr. Wolfhagen's work on this and commended his positive reception by the local WDCs.

Motion 04-95-06

A motion was made by Mr. Hudson and seconded by Mr. McGinnis to adopt the proposed local area performance targets for Years 4 and 5 of the Workforce Investment Act Title I-B. The motion passed.

The meeting adjourned at 2:18 p.m.

Ellen O'Brien Saunders, Secretary

A handwritten signature in black ink, appearing to read "Ellen O'Brien Saunders". The signature is written in a cursive, flowing style.

Workforce Training and Education Coordinating Board
May 13, 2004
Port Angeles, Washington

DRAFT AGENDA

Workforce Investment Act 10% Funds – Action for 04-05

Perkins Vocational Education Funds – Action for 04-05

High Skills, High Wages 2004 – Update on Public Review Process and Agency Assignments

Workforce Board's Operating Budget for 2005-07

Workforce Board Retreat Planning

Workforce Training Results 2004

Presentation on "Helmets to Hardhats"

Workforce Strategies Conference Agenda

National Institute for Literacy Workplace Readiness Credential Project Update

Drop Out Initiative Update

Apprenticeship Initiative Update

Washington Award for Vocational Excellence Results and 20th Anniversary Celebration Update

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

SCHEDULE OF WORKFORCE DEVELOPMENT COUNCIL VISITS 2004

Workforce Development Council	Board Member or Representative	Dates Scheduled
Benton-Franklin	Rick Bender (tentative)	4/27, 7/27, 10/26
Eastern Washington Partnership	Beth Thew	2/26
North Central		5/18
Northwest	Jim Crabbe	8/25
Olympic	Julianne Hanner	9/14
Pacific Mountain	Sylvia Mundy	5/20
Seattle-King County		6/18, 10/14
Southwest Washington		5/12, 7/14, 9/8, 11/10
Snohomish County	Tony Lee	11/2
Spokane County		5/12, 6/9
Tacoma-Pierce County		4/15, 5/20, 6/17, 7/15, 8/19, 9/16, 10/21, 11/18, 12/16
Tri-County	Mike Hudson	5/11, 8/10, 11/19

Workforce-Related Bills – 2004 Session

As of: Sine Die

House Bills

3ESHB 2195 – Certificate of Academic Achievement Prime Sponsor: Rep. McDermott

Status: Delivered to the Governor

Provides for a high school assessment system that includes opportunities for a student to retake the content areas of the Washington Assessment of Student Learning (WASL) and one or more alternative means for students to demonstrate achievement of the state academic standards.

Requires each school district to prepare high school graduation plans for students in 8th through 12th grade who are not successful on any or all of the content areas of the WASL.

Repeals the requirement for school districts to provide educational pathways.

E2SHB 2295 – Charter Schools Prime Sponsor: Rep. Quall

Status: Delivered to the Governor

The Legislature is establishing charter schools for the primary purpose of providing more high-quality learning environments to assist educationally disadvantaged students and other students to meet the state academic standards.

A charter school is a public school of one or more K-12 grades. A charter school applicant must be a public benefit nonprofit corporation. The applicant may not be a sectarian or religious organization.

A charter school is exempt from all state laws and rules applicable to schools except they must: comply with applicable state and federal health, safety, parents' rights, civil rights, and non-discrimination laws; participate in the state student assessments; employ certificated instructional staff, except in exceptional cases; conduct employee record checks; participate in free and reduced priced meal programs; be subject to financial examinations and audits, and independent performance audits; follow the student performance improvement goals; comply with the annual performance report; comply with the Open Public Meetings Act, the Open Public Records Act, and public disclosure requirements; and conduct annual quality management self-assessments.

A maximum of 45 new charter schools can be granted in the six years in which charter schools are authorized -- not more than five in each of the first three years and not more than ten in each of the last three years.

SHB 2382 – Higher Education Articulation and Transfers Prime Sponsor: Rep. Kenney

Status: Delivered to the Governor

Policies adopted by public four-year institutions of higher education regarding transfer of lower-division credits must treat students transferring from community colleges the same as students transferring from public four-year institutions.

The Higher Education Coordinating Board (HECB) will convene work groups to develop transfer associate degrees for specific academic majors. Work groups include representatives from the State Board for Community and Technical Colleges (SBCTC), the Council of Presidents (COP), and faculty from two- and four-year institutions.

HECB makes biennial progress reports beginning January 10, 2005, including measurable indicators of improvement and baseline data.

HECB must create a statewide system of course equivalency for public higher education institutions, so that courses from one institution can be transferred and applied toward academic majors and degrees in the same manner as equivalent courses at the receiving institutions. HECB makes a progress report by January 10, 2005, including options and cost estimates for ongoing maintenance of the system.

HECB must conduct a gap analysis of upper division capacity in the public higher education system to accommodate transfer students. A progress report is due January 10, 2005, and a final report is due December 10, 2006, with recommendations on how to expand capacity in various locations.

SHB 2455 – Financial Literacy Prime Sponsor: Rep. Santos

Status: Delivered to the Governor

The Financial Literacy Public Private Partnership (FLPPP) is established to develop a working definition of “financial literacy,” identify strategies that promote the use of financial literacy curricula in schools, serve as a resource, and seek outcome measures, to determine the effectiveness of educational efforts.

SHB 3103 – HECB Duties Prime Sponsor: Rep. Kenney

Status: Delivered to the Governor

The roles and responsibilities of HECB are reorganized. Key workforce related provisions in the legislation include:

1. Every two years HECB, SBCTC, and the Workforce Training and Education Coordinating Board (WTECB) will assess the number and type of higher education and training credentials required to meet employer demand. They will compare forecasted job openings at each level of education and training and the number of credentials needed to match them.
2. HECB, other education agencies, higher education institutions, and school districts must work on a variety of topics to improve coordination, articulation, and transitions among the state's systems of higher education. The goal is increased student success. The agencies must submit biennial updates on their accomplishments and plans, beginning January 15, 2005.
3. A 10-member advisory council to HECB is created, including WTECB.

Senate Bills

SSB 5139 – Remedial Postsecondary Instruction Prime Sponsor: Sen. Carlson

Status: Delivered to the Governor

HECB, SBCTC, and the Office of Superintendent of Public Instruction (OSPI) are directed – within current budgets – to convene a work group to discuss standards and expectations for college-level work, identify the causes of current gaps in students' knowledge and skills, and initiate actions to address those gaps so that the need for remediation of recent high school graduates is reduced. The work group includes representatives of the two- and four-year colleges and K-12 school districts. Strategies are to be developed for communicating the standards in all Washington high schools. A report is due December 15, 2004, to legislative education and higher education committees including strategies, timelines, and benchmarks for reducing remediation over the next three years.

SSB 5677 – Education Summit Prime Sponsor: Sen. McAuliffe

Status: Delivered to the Governor

In September or December, an annual meeting must be held to discuss issues of cross-sector relevance. The meeting shall have a focused agenda on issues including, but not limited to, efforts to improve articulation; the role of advising and assessment; and development of standards for the knowledge and skills students need to be ready for college-level work.

Participants in the annual meeting are the State Board of Education (SBE), HECB, OSPI, SBCTC, COP, WTECB, and legislative members of the House and Senate education, higher education, and fiscal committees.

Beginning in 2004 with COP, responsibility for coordinating and summarizing the meeting results and proposing an action plan rotates among the participating agencies.

SSB 6501 – Assistive Instructional Materials Prime Sponsor: Sen. Carlson

Status: Delivered to the Governor

Publishers or manufacturers of instructional materials used by students attending public or private higher education institutions in the state of Washington must provide any instructional material in a mutually agreed upon electronic format at no additional cost and in a timely manner to a postsecondary institution upon receipt of a written request.

SSB 6554 – Health Professions Credentialing Prime sponsor: Sen. Franklin

Status: Delivered to the Governor

Changes are made to the licensing requirements for acupuncturists, dental hygienists, dispensing opticians, nurses, psychologists, and respiratory care practitioners.

SB 6561 – Dual Enrollments Prime Sponsor: Sen. Carlson

Status: Delivered to the Governor

SBE, HECB, COP, OSPI, representatives from secondary school principals and school district superintendents, and WTECB are instructed to expand and strengthen dual enrollment programs by removing barriers and creating incentives.

By December 15, 2004, the group reports to the education and higher education committees of the Legislature on actions taken to eliminate barriers and create incentives. The report includes actions for the Legislature to take to encourage the availability of dual enrollment and programs on high school campuses.

SSB 6615 – Hiring of Disabled Workers Prime Sponsor: Sen. Honeyford

Status: Delivered to the Governor

The preferred worker status is provided to employers of developmentally disabled persons who have suffered a workplace injury. This status is provided even though the employer in whose employ the worker was injured continued to employ the developmentally disabled worker.

Workforce Development Related Items 2003-2005 Supplemental Budgets

State Board for Community and Technical Colleges (SBCTC)

\$5,581,000 General Fund – General Enrollments: Funding is provided to expand state-supported general enrollment slots by 1,223 full-time equivalent (FTE) students in FY 2005. New budgeted enrollment for resident students is supported by the state at an average rate of \$4,565 per FTE.

\$3,563,000 General Fund – High-Demand Enrollments: Funding is provided solely to expand enrollment in high-demand fields, including the expansion of worker retraining programs. SBCTC will manage a competitive process for awarding high-demand resources. State funds are budgeted at an average rate of \$10,000 per FTE for high demand-fields and \$5,000 per FTE for worker retraining.

\$300,000 General Fund – Transition Math Project: One-time funding is provided to address the need to reduce remedial math courses taken at institutions of higher education. The project will bring together representatives from the K-12 system, the community and technical college system, and public four-year institutions to: (1) align standards and expectations for mathematics so that high school graduates will be prepared to enter college-level math courses; (2) increase student success in completing math requirements through attention to improved instruction and assessment; and (3) clearly communicate math expectations to students through focused educational advising.

Use of Administrative Contingency Account – \$3.5 Million in funding for the Worker Retraining Program is shifted to the Administrative Contingency Account from the General Fund.

Office of Superintendent of Public Instruction (OSPI)

\$688,000 General Fund – Washington Assessment of Student Learning (WASL) Changes: The WASL system is augmented to implement the 2008 Certificate of Academic Achievement graduation requirement. The Certificate of Academic Achievement will require students to pass the 10th grade WASL in three subject areas (reading, writing, and mathematics) or demonstrate mastery by an alternate method in order to graduate beginning with the class of 2008. To implement the graduation requirement, OSPI will offer spring and fall WASL retake opportunities for high school students, develop options for alternate assessments and/or an appeals procedure, and review the alignment between the assessments and the state's learning standards.

\$531,000 General Fund – Charter Schools: Funding is provided for the implementation of 2SHB 2295 or 2ESSB 5012 (charter schools), which authorize the establishment of a limited number of charter schools. Most of the fiscal impact comes from an anticipated increase in funded enrollment due to home-schooled and private school students switching to public charter schools. OSPI will monitor the number of charter schools subject to the limits in the legislation and provide technical assistance to districts and charter schools.

Employment Security Department (ESD)

\$3.5 Million Unemployment Compensation Administration Account; Administrative Contingency Account – Employer Outreach Activities: \$3.5 million of federal Reed Act funds is appropriated for employer outreach activities, employment service activities, and to prevent, detect, and collect unemployment insurance benefit overpayments that are currently funded with penalty and interest.

Higher Education Coordinating Board (HECB)

\$100,000 General Fund – State Enrollment Growth Evaluation: Provides funding for the HECB and the National Collaborative for Postsecondary Education Policy to evaluate specific policy alternatives with which the Legislature will make key investment decisions in the 2005-07 budgets.

\$205,000 General Fund – Program Assessment and Approval: Funding is provided to develop a comprehensive and ongoing assessment process to analyze the need for additional degrees and programs, additional service area locations, and consolidation or elimination of programs by four-year institutions, as outlined in SHB 3103.

\$3,563 Million General Fund – Increase in High-Demand Programs: The budget provides funding for an additional 324 FTE enrollments in high demand fields. HECB will manage a competitive process for awarding high demand enrollments to public baccalaureate institutions and private independent institutions.

\$2 Million Health Services Account – Health Professional Program: Funding is provided to expand the Health Professional Loan Repayment and Scholarship Program. Funds will assist with the recruitment and retention of credentialed health professionals in underserved areas of the state.

Department of Social and Health Services (DSHS)

\$1,250,000 General Fund – Limited English Proficiency (LEP) Pathway Program: Funding is provided to continue specialized employment services through the WorkFirst/LEP Pathway program for refugees and other LEP families and individuals that receive Temporary Assistance for Needy Families, State Family Assistance, or Refugee Cash Assistance benefits. Provided services include, but are not limited to, English-as-a-Second Language training, job placement assistance, and work support services.

\$250,000 General Fund – Washington State Mentoring Partners: Funding is provided for the Washington State Mentoring Partnership, a program that provides mentoring relationships and support to youth. The partnership serves as a network to expand the field of mentoring throughout the state, advocate prevention benefits, and provide support services. This state investment is expected to leverage funds by encouraging private-sector participation.

Community, Trade and Economic Development (CTED)

\$614,000 General Fund – 7E7 Project Implementation: Funding is provided for staff to coordinate the state's role in siting Boeing's 7E7 Dreamliner final assembly plant, which was awarded to Washington in December 2003.

State Board of Education (SBE)

\$2.5 Million School Construction Account – New Market Skills Center: For design and construction of additional space at the New Market Vocational Skills Center.

Skills Center Capital Projects: Beginning in their 2005-07 capital budget submittal to the governor, SBE, in consultation with the Washington State skills centers, shall develop and submit a prioritized list of capital preservation, equipment with long life-cycles, and space expansion and improvement projects. The list shall be developed based on, but not limited to, the following factors: Projected enrollment growth; local school district participation and financial support; changes in the business and industry needs in the state; and efficiency in program delivery and operations.

Interagency Committee
Meeting Notes for February 13, 2004

Attending: Patti Stoneman Lowe (DVR); Gary Kamimura (ESD); Debbie Cook (DSB); Walt Wong, Bryan Wilson, Pam Lund and Ellen O'Brien Saunders (Workforce Board).

Note: The agenda item on System Assessment was postponed to a later Interagency Committee (IC) Meeting.

Draft March 25, 2004, Workforce Board Meeting Agenda

Ellen discussed the draft agenda for the March 25, 2004, Workforce Board meeting and the group discussed selected items:

- ***High Skills, High Wages 2004 Draft***

The primary update to this publication is to Chapter 5 on the strategies for implementation of the state strategic plan. Madeleine Thompson will send the draft out for comment shortly via email and a second draft will be reviewed by the IC at the March 5 meeting. There is also an update to Chapter 2 on the economy. Debbie Cook suggested some ways to aid in the process of gathering input in order to make it as specific as possible. Pam Lund will connect with Steve Frazier regarding input from the Workforce Development Council Directors' committee.

- **Workforce Board Agency Strategic Plan**

The Workforce Board Agency Strategic Plan is due to the Office of Financial Management May 1, 2004. The Workforce Board formed a Budget Committee to review the plan and recommend changes to present to the full Workforce Board at the March 25 meeting.

- ***Workforce Training Results 2004***

This report is on gross results this time (not on net impacts). At the March Workforce Board meeting, there will be basic tables including longitudinal tables with data since 1996.

- **Eligible Training Provider Policy**

This is scheduled for action in March. The only item of possible contention is whether to require schools to post results. This mostly affects private career schools since the community and technical colleges already do so. Bryan is soliciting input from stakeholders. There was a question of whether there should be a different policy on completion rate for Apprenticeship programs, but the Apprenticeship community is not interested in that as they want to strongly encourage completion.

- **Workforce Investment Act 10% Funds – Options for Use**

This will be an initial discussion with action in May. Workforce Board and Employment Security staff are engaging in discussions on this topic.

- **Perkins Funds**

The allocations are not available yet, but should be soon. This will have action in May.

- **Work Keys**

A presentation on Work Keys is planned, with representatives from Shoreline Community College and others. Gary Kamimura asked about whether we would seek an endorsement from the Board on Work Keys. This is not the purpose of the presentation. Pam noted the relationship with the National Institute for Literacy Workplace Readiness Credential project and that it is different from Work Keys.

Legislative Session

Ellen O'Brien Saunders noted that the Higher Education Coordinating Board (HECB) master plan governance proposal is not getting a positive response from the Legislature. She also noted that Representative Phyllis Gutierrez Kenney has a bill that re-shapes the HECB duties and adds the Workforce Board (and others) to an advisory committee for the HECB. The bill also discusses coming up with an agreed assessment of labor market demand. We are supportive of this bill. There is also an education reform bill that includes retakes of the Washington Assessment of Student Learning. This bill inadvertently repeals language about career pathways. Staff is checking to see if this can be added back in. There is a bill on establishing a Central Resource Center for the Nursing Workforce. Their work should be coordinated with the Health Care Personnel Shortage Task Force and the health skills panels.

Interagency Committee
Meeting Notes for March 5, 2004

Attending: Patti Stoneman Lowe (DVR); Kathy Dijulio, Gary Kamimura (ESD); Debbie Cook (DSB); Ginger Rich (CTED); Jim Crabbe, Brian Kanen (SBCTC); Randy Looman (WSLC); Madeleine Thompson, Walt Wong, Pam Lund, Bryan Wilson, and Ellen O'Brien Saunders (Workforce Board).

Draft March 25, 2004, Workforce Board Meeting Agenda

Ellen discussed the draft agenda for the March 25, 2004, Workforce Board meeting and the group discussed selected items:

- **Workforce Board Agency Strategic Plan**

The Workforce Board Budget Committee will recommend changes to present to the full Workforce Board at the March 25 meeting. Ellen noted that *High Skills, High Wages 2004* will affect our work and so will encourage the Office of Financial Management for flexibility with regard to changes after the initial May submission of the agency strategic plan.

- ***Workforce Training Results 2004***

PMCI will review this prior to the March 25 Workforce Board meeting. Staff do not anticipate findings for Adult Education and secondary Career and Technical Education by then. Also, Vocational Rehabilitation survey based outcomes are not available as yet.

- **Eligible Training Provider Policy**

The eligibility criteria change that is proposed mostly affects private career schools, four year colleges, and Apprenticeship programs. Feedback on this proposed change has been positive. The completion rate affects the Apprenticeship programs and the Board asked for a reconsideration of the definition of completer. Labor wants the definition to remain unchanged. Staff will look at Apprenticeship programs that have successfully used Individual Training Accounts to learn what made it work for them. Ginger Rich asked if a footnote could be added to the material (handouts at the meeting) noting which programs did have the required number of completers to give context.

- **Workforce Investment Act 10% Funds – Options for Use**

Bryan Wilson and Ellen discussed this item. There are some commitments the Governor has made for some of this money to go towards Boeing 7E7 - \$3.5 million. Randy Loomans asked what the money would be used for. Kathy Dijulio noted that another \$2.5 million is committed to 7E7 from other resources – Wagner Peyser and carry forward. Also, another \$1 million from other resources has been committed to Apprenticeship. There is not a lot left for other activities and some of those are required activities. This will be for action in May.

- **Perkins Funds**

The allocation options were reviewed. David Harrison wants the review to include allocating resources for the best leverage for key results. Jim Crabbe noted that the systems were satisfied with the allocation as is, and that the dollars are working. Walt Wong noted that Washington State received a small increase from the Department of Education. This will have discussion in March and action in May.

High Skills, High Wages 2004 - Chapter 5

Madeleine Thompson discussed the review process for changes to *High Skills, High Wages 2004* - Chapter 5. Stakeholder input has been obtained and the Workforce Board will review a draft at the March 25 meeting. Hearings are planned for April and the final will go to the Board at the May 12 meeting for publication in June. Madeleine led a page by page discussion of the strategies, shared feedback provided via e-mail, and collected feedback from Interagency Committee members.

**Performance Management for Continuous Improvement (PMCI) Workgroup
February 20, 2004, Meeting Notes**

Attending: Alex Kosmides, NW WDC; Gena Wikstrom, Fed. Private Career Schools; Dave Pavelchek, WSU; Gary Karimura, Phil Degon, ESD; Doug Whitaker, SBCTC; John Loyle, Pacific Mountain WDC; Patricia Sullivan, Terry Redmond, DVR; John Bauer, Karen Pyle, Martin McCallum, and Bryan Wilson, Workforce Board.

Eligible Training Provider List (ETPL): The group continued the discussion from the last meeting regarding the 04-05 policy for the ETPL. Bryan began by updating them on the discussion at the Workforce Board meeting. That discussion included whether or not the earnings standards should be substantially raised and whether the definition of completion should be changed for apprenticeship programs. Bryan indicated he discussed the latter with staff at the Washington State Labor Council who expressed that the current definition of completion, obtaining journey level status—should remain unchanged.

The group consensus recommendations are to retain the earnings standards linked to the most recent poverty thresholds and to make no change in the definition of completion for apprenticeship programs.

Note: After the meeting, Workforce Board staff identified the latest poverty thresholds which are:

Family of 2 = \$12,490
Family of 3 = \$15,670
Quarterly = \$3,122.50 and \$3,917.50

The remainder of the discussion concerned how to deal with reporting self-employment.

The group discussed data sets on the percentage of self-employment by occupation. It was felt that the Census data is much better than the BLS data, but we should also check out whether we could obtain useful IRS data through the Department of Revenue. To make use of such data sets, will require a CIP-SOC cross-walk, something that would be useful for other purposes as well.

The group supports reporting both the wage record reported rate of employment and the percentage of employment that is self-employment in the state data set. In addition, there should be an option to add documented self-employment for programs with a self-employment rate substantially above the average for their field, for example, programs that can document that their particular rate of self-employment is 25 percent higher than the state average rate of self-employment in that occupation. The specific details still need to be worked out; for example, how to report self-employment rates for baccalaureate programs in the liberal arts?

For the March Workforce Board meeting, the resolution should say something like, “self-employment will be reflected in the posted results,” and the technical details could be worked out later by the PMCI workgroup.

Performance Management for Continuous Improvement (PMCI) Workgroup
March 10, 2004, Meeting Notes

Attending: Alex Kosmides, NW WDC; Gena Wikstrom, Fed. Private Career Schools; Dave Pavelchek, WSU; Gary Karimura, Phil Degon, ESD; Dave Wallace, ESD; Doug Whitaker, SBCTC; John Loyle, Pacific Mountain WDC; Terry Redmond, DVR; John Bauer, Carl Wolfhagen, Mehrnaz Jamzadeh, and Bryan Wilson, Workforce Board.

Eligible Training Provider List: Bryan asked if everyone was comfortable with the language that had been e-mailed before the meeting. Workgroup members indicated support for the language.

Participant Outcome Data Consortium (PODC): Carl informed the group that a PODC meeting has been scheduled for April 6. Bryan confirmed that PODC is the decision making body for data matching. Bryan indicated that the PMCI workgroup members are free to attend the meeting and offer advice. Bryan also noted that it would be important if SBCTC were to be the entity to perform the data matches that there be procedures to ensure the private career schools that their data would be protected.

Common Measures: Phil reported that the Department of Labor has postponed the planned July 1, 2004 implementation date for reporting using the common measures. No new date has been set. ESD has formed an internal workgroup to prepare for implementation.

Wage Record Interchange System (WRIS) and the Federal Employment Data Exchange (FEDE): Carl reported that Washington has requested to use WRIS for producing future "Workforce Training Results" and Perkins reports. FEDE is being developed to access federal employment records. A test run should occur in April.

"Workforce Training Results 2004": John share with the group the results from seven programs and asked that people get back to him quickly if they see any anomaly in the results that could be an error.

Perkins Performance Targets for Year 6: Carl led a discussion of proposed targets for year six of Perkins. Dave offered an option of including the 10th grade data for revising the secondary completion targets. That option was accepted. Carl went over the economic rationale for lowering the postsecondary completion targets. These made sense to Doug who also noted the impact of the state budget reductions.

TAB 2

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

WORKFORCE TRAINING RESULTS 2004

The following materials summarize findings from our fifth biennial outcome evaluation of Washington State's workforce development system. Washington State RCW 28C.18.060(10) requires the Workforce Training and Education Coordination Board (Workforce Board) to report the employment, earnings, wages, and satisfaction of participants leaving the major workforce development programs in the state.

The Workforce Board carries out this responsibility by preparing the report, *Workforce Training Results*. The forthcoming report presents outcomes for eleven of the state's workforce development programs. These include:

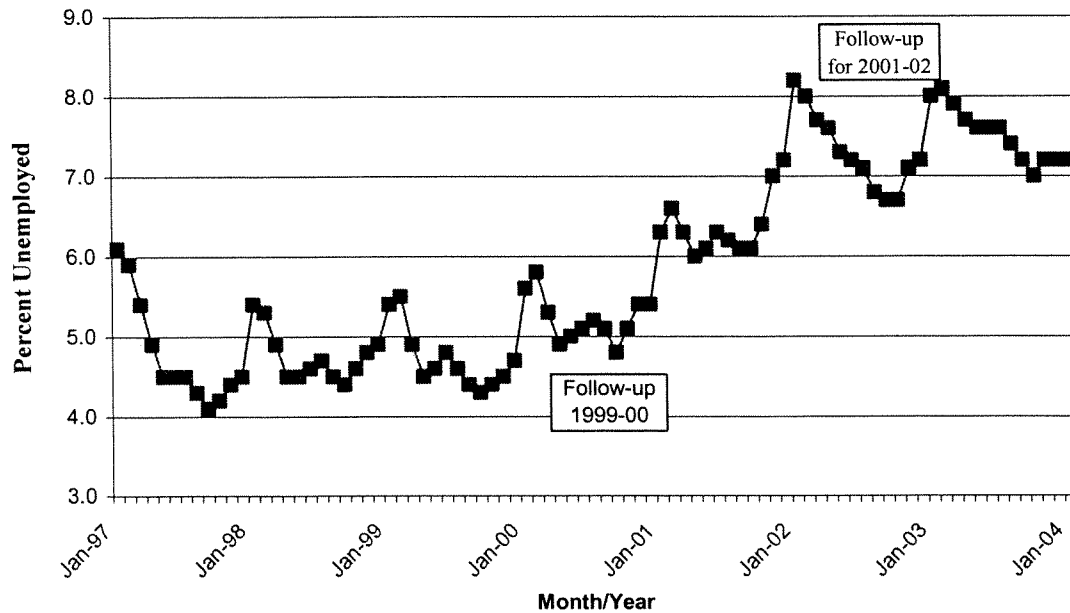
- Community and Technical College Job Preparatory Training
- Private Career Schools
- Apprenticeship
- Worker Retraining at Community and Technical Colleges
- Workforce Investment Act Title I-B Dislocated Worker Program
- Workforce Investment Act Title I-B Adult Program
- Workforce Investment Act Title I-B Youth Program
- Adult Basic Skills Education
- Division of Vocational Rehabilitation
- Department of Services for the Blind
- Secondary Career and Technical Education

Summaries for the first seven of these programs are enclosed. Results for the remaining four programs will be presented in May.

The report focuses on outcomes for participants who left programs from July of 2001 through June of 2002. This is the most recent cohort for whom we can provide reliable results, since we measure labor market outcomes during the third quarter after exit and because the employment records are not available until about six months after that.

The program summaries also provide outcomes for prior program years. When comparing outcomes over time, it is important to consider that economic conditions and participant characteristics can change dramatically. The participants leaving programs during 2001-2002, for example, faced a much weaker labor market than those leaving two years earlier. The follow up period (i.e., the third quarter after leaving a program) is noted in the following plot of unemployment rates. Outcomes for these participants are measured during a period of especially high unemployment.

Figure 1. Unemployment Rate In Washington State (Not Seasonally Adjusted)



We caution against making improper comparisons among these programs—the populations served, the types of services provided, and lengths of training vary substantially from program to program.

Board Action Requested: None. For discussion purposes only.

Workforce Training Results 2004

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Title	Page
Community and Technical College Job Preparatory Training	1
Private Career Schools	11
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Community and Technical College Worker Retraining Program	33
Workforce Investment Act Title I-B Program for Dislocated Workers	41
Workforce Investment Act Title I-B Program for Adults	53
Workforce Investment Act Title I-B for Youth	65

Community and Technical College Job Preparatory Training

(1) Data

Findings are based on the following sources of data:

- Program records on 31,722 job preparatory students who completed or otherwise left a community or technical college during the 2001-2002 school year. (Worker Retraining participants are excluded from this analysis. Outcomes for this program are reported separately.)
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 2,107 former students, providing additional information on employment and satisfaction with the program.
- Survey responses from 506 firms that hired new employees who recently completed a vocational program at a community or technical college.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of Community and Technical College Job Preparatory Students:
Race and Ethnicity

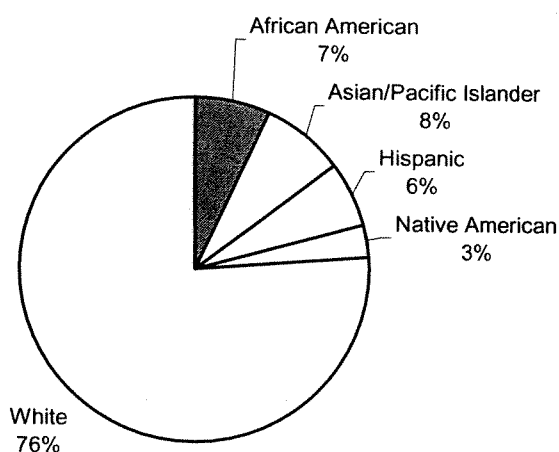
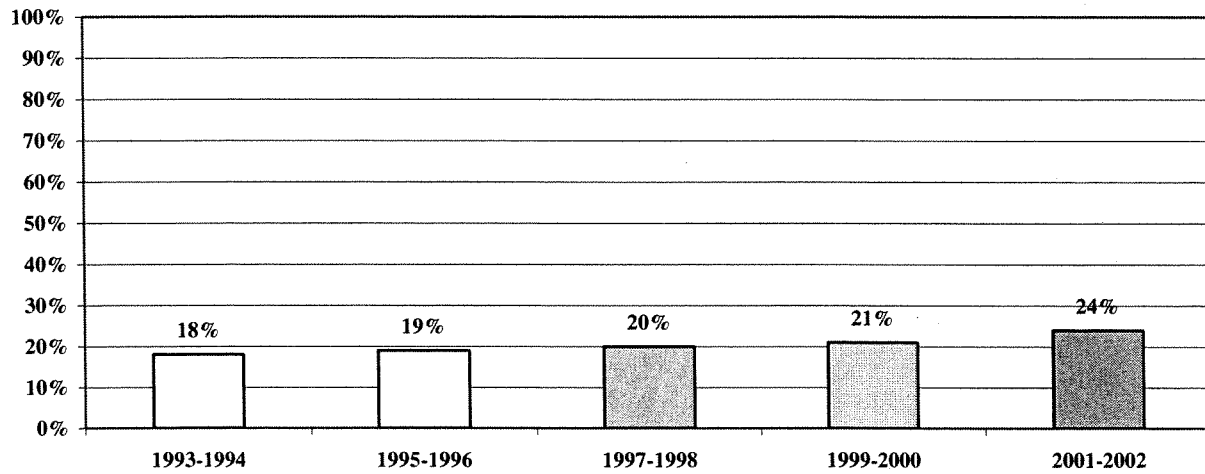


Figure 2.
Percentage of Job Preparatory Students Who Are People of Color



Percent Female	55
Median Age at Exit	30

(3) Competency Gains

Completion Rate	58 percent (versus 56 percent two years ago)
Median Program Length	9 months (versus 15 two years ago)

Figure 3.
Community and Technical College Job Preparatory Students Receiving Specific Skills Training

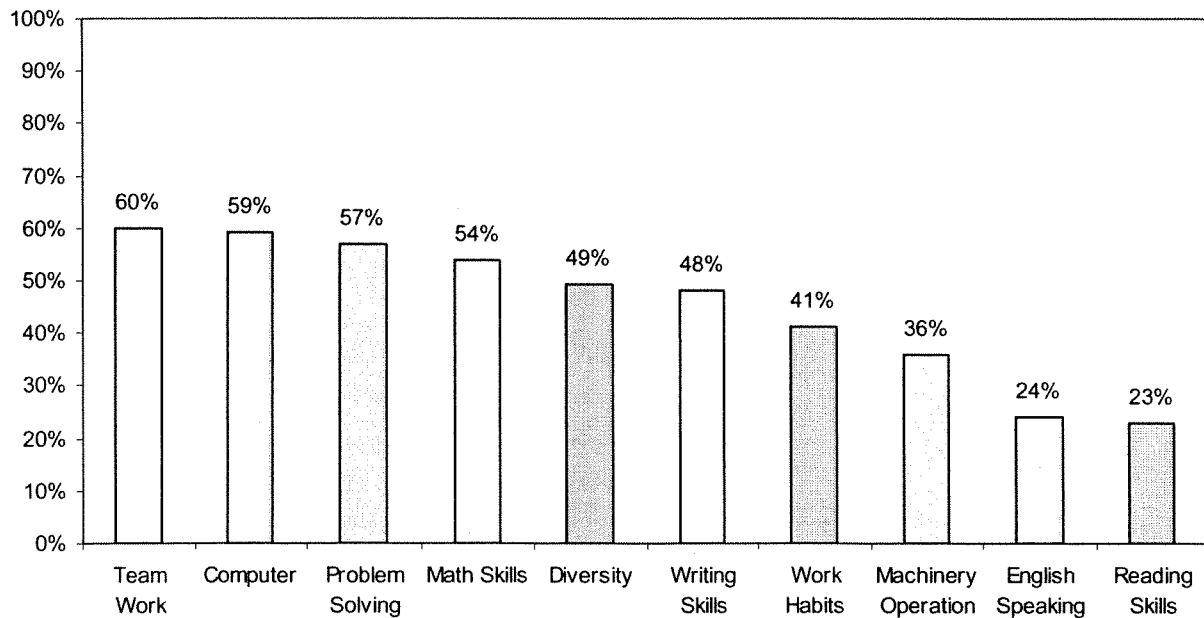


Figure 4.
Community and Technical College Students Receiving Specific Skills Training Who Reported
Their Skills Improved a Little or a Lot

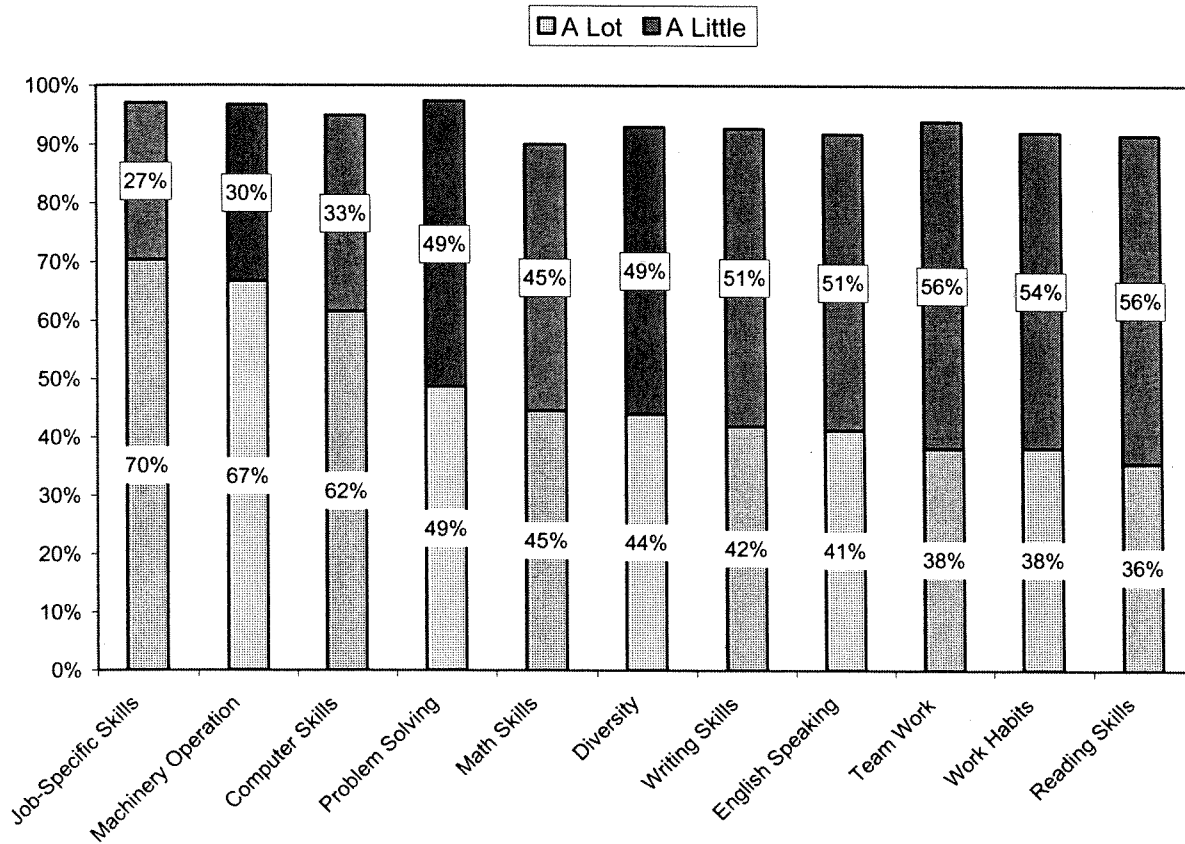
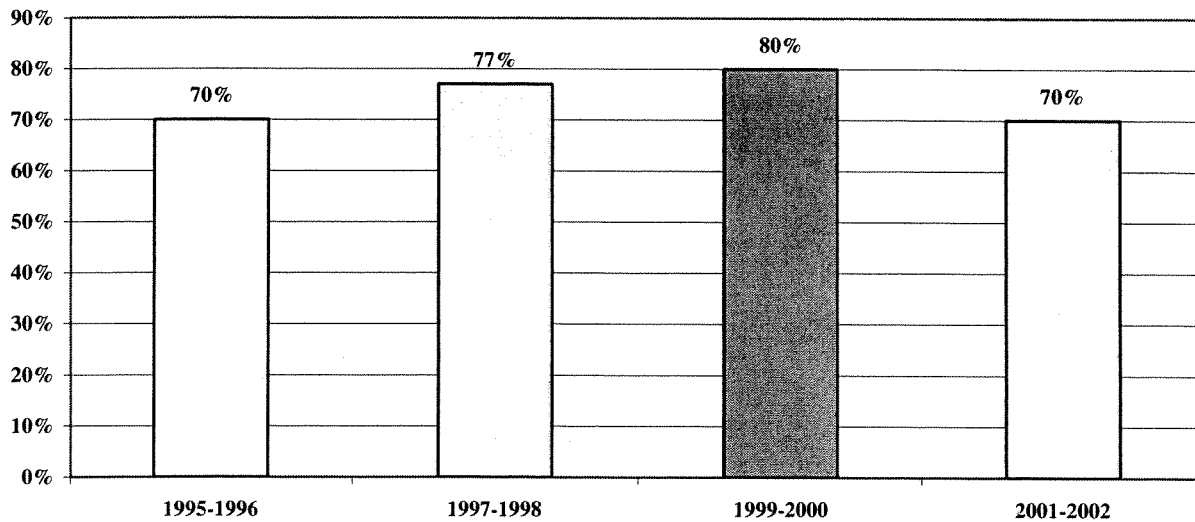


Figure 5.
Percentage of Job Preparatory Students Who Said Their Job-Specific Skills
Improved a Lot



(4) Participant Satisfaction

Figure 6.
Percentage of Employed Former Job Preparatory Students Who Reported Education and Training Related to Job Held 9 Months After Program

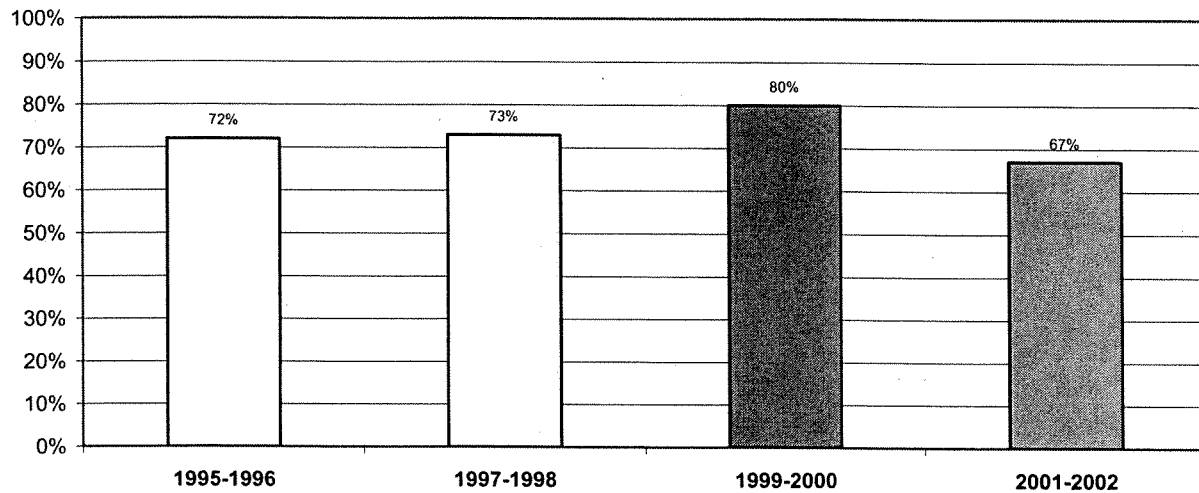


Figure 7.
Support Service Needs of Community and Technical College
Job Preparatory Students
Among All Students the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

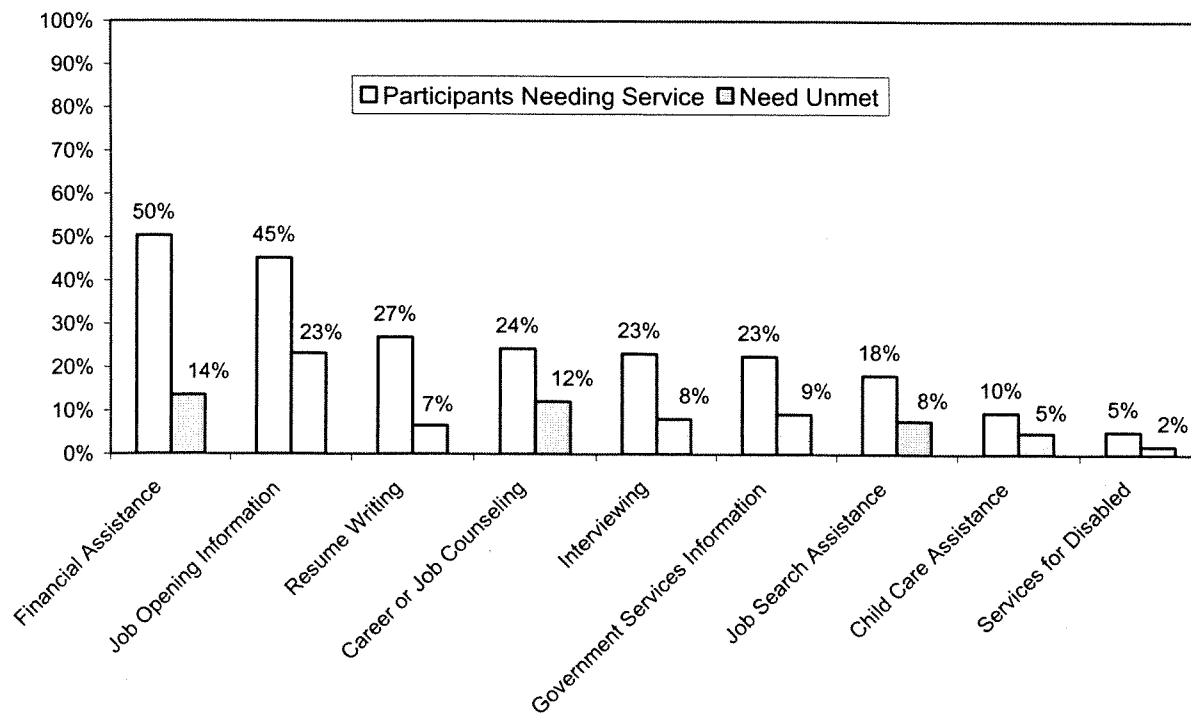
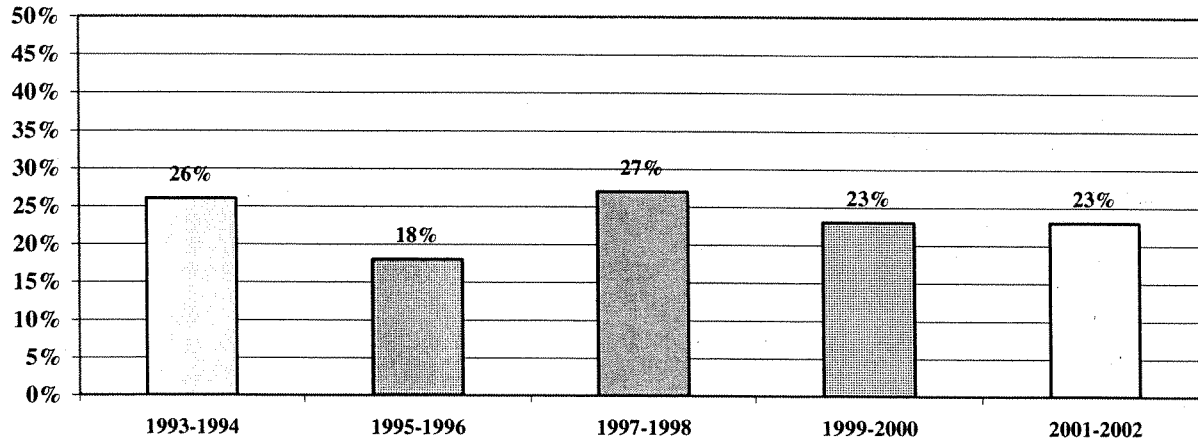


Figure 8.
Percentage of All Former Job Preparatory Students Leaving College
With Unmet Need for Job Opening Information



Percent Reporting Overall
 Satisfaction With Program

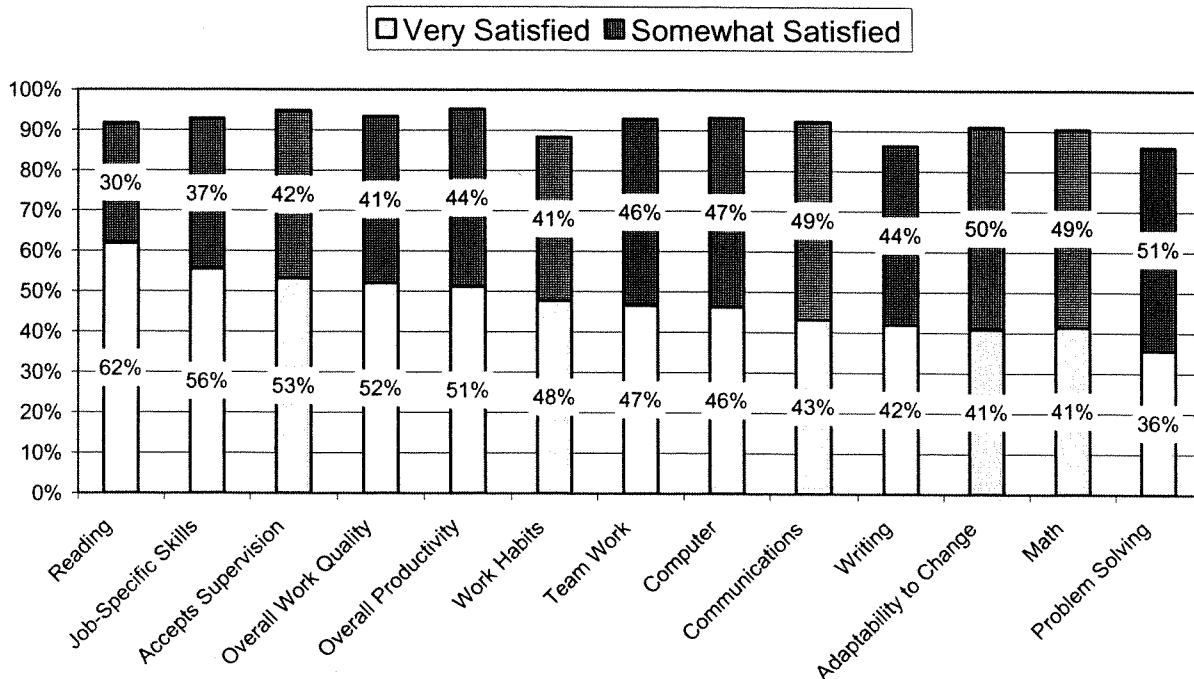
89 (virtually the same as two years ago)

Percent Reporting Educational
 Objectives Met

85 (versus 94 two years ago)

(5) Employer Satisfaction

Figure 9.
Employer Satisfaction With New Employees Who Had Recently Completed a Job Preparatory
Program at a Community or Technical College



(6) Employment and Earnings

Figure 10. Employment and Earnings of Community and Technical College Job Preparatory Students in the Third Quarter After Leaving Program

	All 1995-96	All 1997-98	1999-00		2001-02	
			All	Completers	All	Completers
Percentage self-reporting employment during third quarter after leaving program	86%	83%	86%		82%	
Percentage with employment reported by employers to ESD the third quarter after leaving program	62%	73%	74%	77%	71%	74%
Median quarterly hours worked, of those working	452	451	468	481	455	455
Percentage employed full-time of those working (averaging 30 or more hours/week)	63%	65%	66%	68%	62%	64%
Median annualized earnings of those working	\$18,588	\$20,792	\$22,363	\$24,093	\$21,361	\$22,281
Median annualized earnings of those working and not enrolled in further education		\$20,880	\$22,449	\$24,193	\$21,436	\$22,314
Size of household in which median earnings would support at poverty level	4.1	4.8	5.3	5.8	5.0	5.2
Size of household in which median earnings would support at twice poverty level	1.1	1.5	1.7	2.0	1.6	1.7
Median hourly wage of those working	\$10.88	\$11.70	\$12.64	\$13.16	\$12.50	\$12.81
Percentage self-reporting receipt of medical benefits from employer	67%	65%	68%		71%	
Percentage self-reporting receipt of pension benefits from employer	44%	43%	46%		48%	

Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003.

Figure 11.
Percentage of Job Preparatory Students Self Reporting Employment
6-9 Months After Leaving College

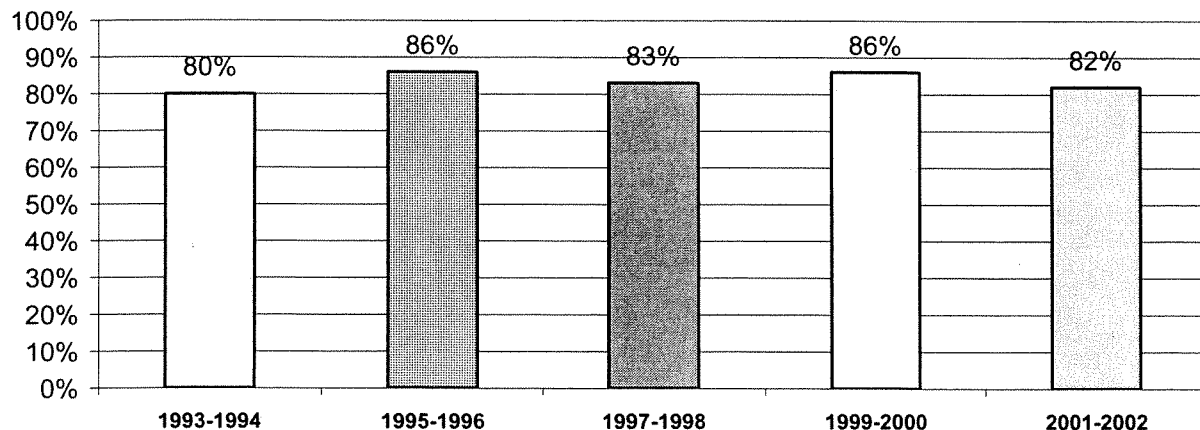


Figure 12.
Percentage of Job Preparatory Students With Employment Reported to
Employment Security Department 6-9 Months After Leaving College

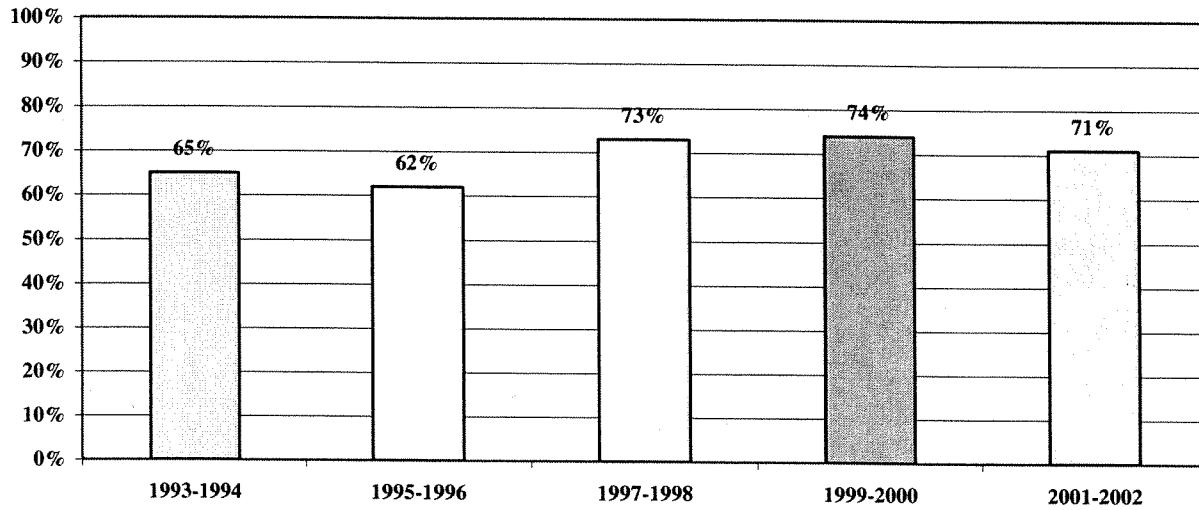


Figure 13.
Median Annualized Earnings of Job Preparatory Students
6-9 Months After Leaving College

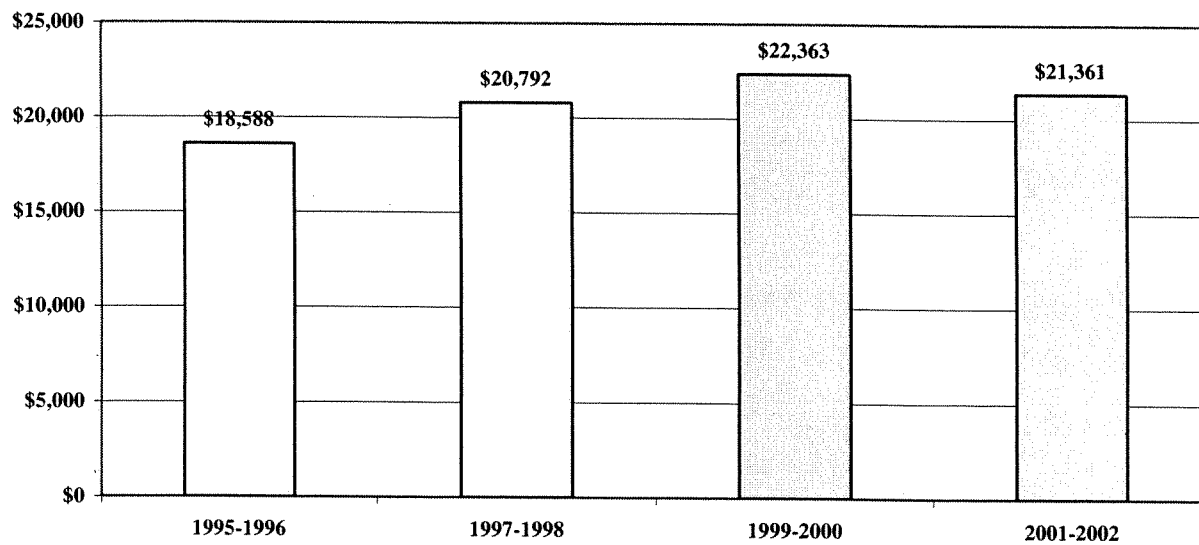
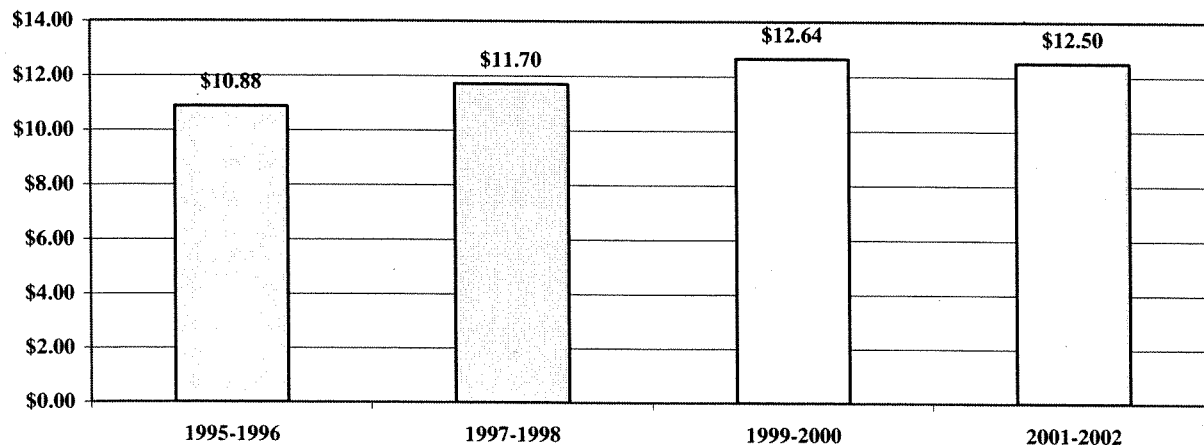


Figure 14.
Median Hourly Wages of Job Preparatory Students
6-9 Months After Leaving College



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(7) Other Findings

- **Cyclical Factors Affecting Earnings and Employment**

The business cycle contributed to the decline in postprogram employment and earnings among job preparatory students leaving programs during the 1999-2000 and 2001-2002 school years. The more recent cohort faced a much weaker labor market. A regression model, which we developed for the Perkins placement measures, estimates the impact of unemployment rates, demographic characteristics, and other socioeconomic variables on postprogram employment among job preparatory students. This model suggests that increases in unemployment rates explain much of the observed decline in postprogram placements. The model predicts a 2 percent decline in employment rates.

In addition to the general weakening of the labor market, the downturn in the Information Technology (IT) industry had a large impact on outcomes for community and technical college job preparatory programs. Roughly one in every five job preparatory students during 2001-2002 was enrolled in an IT program. Employment and earnings outcomes for IT students leaving the colleges during 1999-2000 were very strong. The students leaving during 2001-2002 had a much rougher time. The postprogram employment rate for IT programs declined by 7 percent between these two years. Average wages also declined by 7 percent for these students.

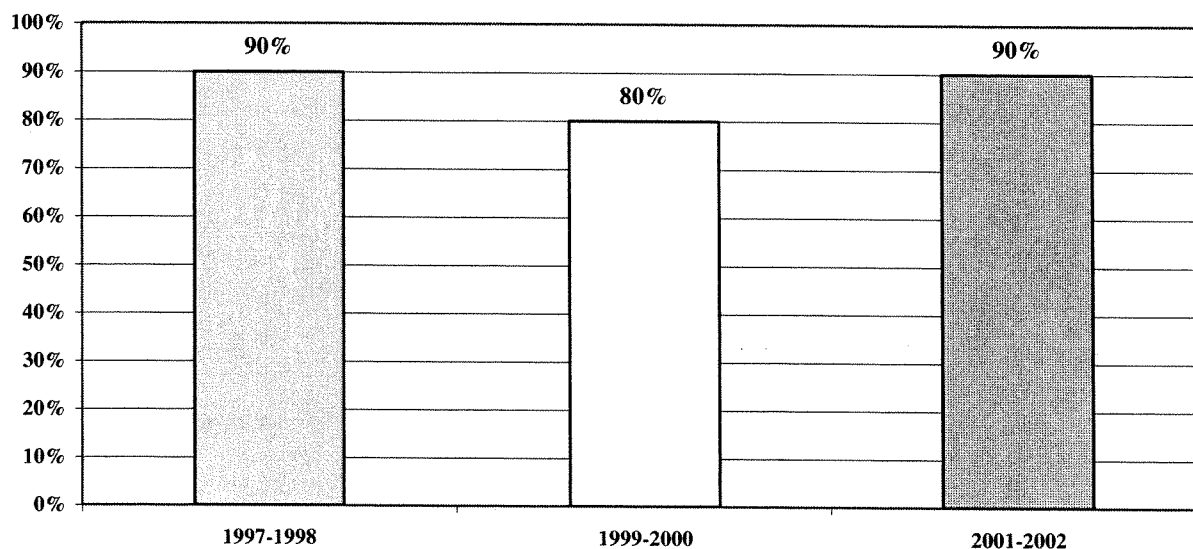
Declines in the labor market outcomes for IT students were at least partially offset by gains in other programs. Rising mean wages in health care programs and protective services were especially impressive.

- Length of Training

There appears to have been a substantial increase in short-term training between 1999-2000 and 2001-2002, with the proportion of students enrolling for only one quarter increasing substantially.

- Gender Differences in Outcomes

Figure 15.
Hourly Wages of Women Relative to Men Among Former Job Preparatory Students During Third Quarter After Leaving College



Gender differences in postprogram hours worked, earnings, and wages are significant.

	Women	Men	Ratio
Median Quarterly Hours Worked	429	481	89 percent
Median Annual Earnings	\$19,651	\$24,003	82 percent
Median Hourly Wage	\$11.98	\$13.33	90 percent

- Differences in Outcomes by Disability Status

	Disability	No Disability	Ratio
Median Quarterly Hours Worked	410	455	90 percent
Median Annual Earnings	\$16,233	\$21,695	75 percent
Median Hourly Wage	\$10.65	\$12.58	85 percent

- Differences in Outcomes by Race and Ethnicity

Annual earnings and hourly wages are significantly lower for former African American, Native American, and Hispanic job preparatory students.

Median Annual Earnings and Wages (Relative to Whites)

	Earnings	Wages
African American	88 percent	91 percent
Native American	79 percent	87 percent
Hispanic	89 percent	86 percent

Private Career Schools

(1) Data

Findings are based on the following sources of data:

- Program records on 16,543 students who left programs during the 2001-2002 school year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 317 former students, providing additional information on employment and satisfaction with the program.
- Survey responses from 269 firms that hired new employees who recently completed a training program at a private career school.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of Private Career School Students:
Race and Ethnicity

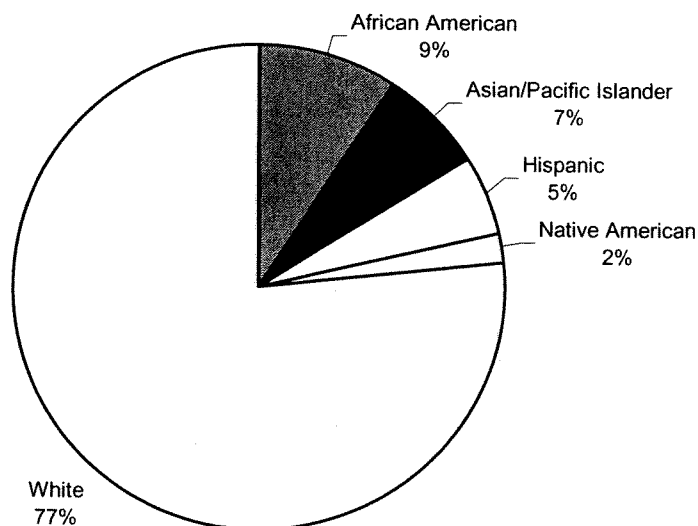


Figure 2.
Percentage of Private Career School Students Who Are People of Color

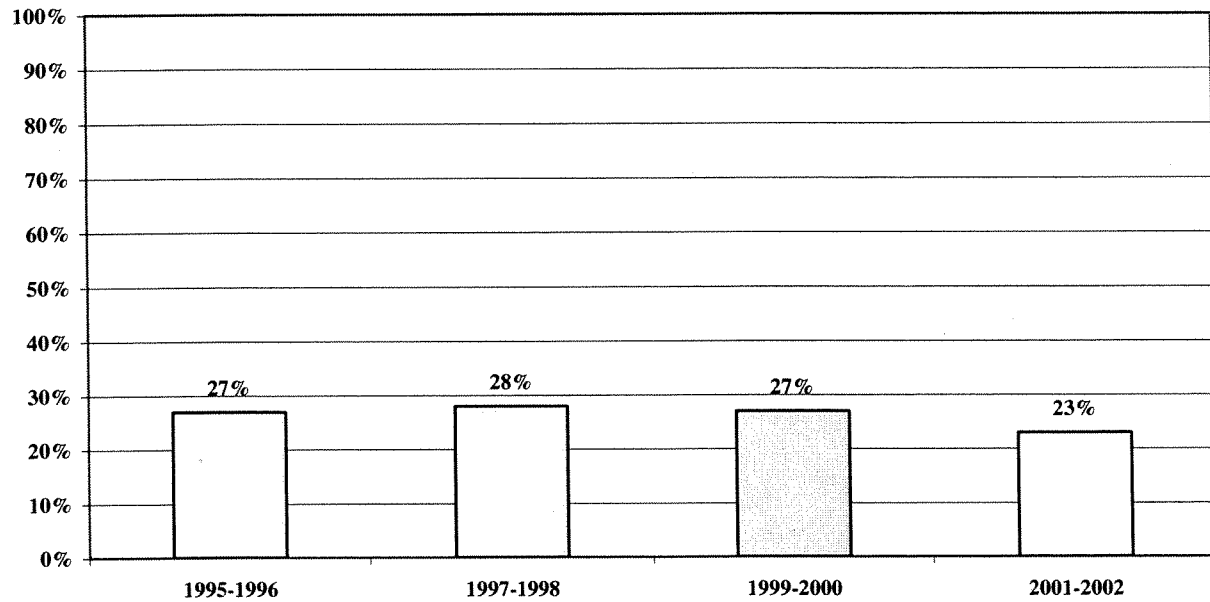
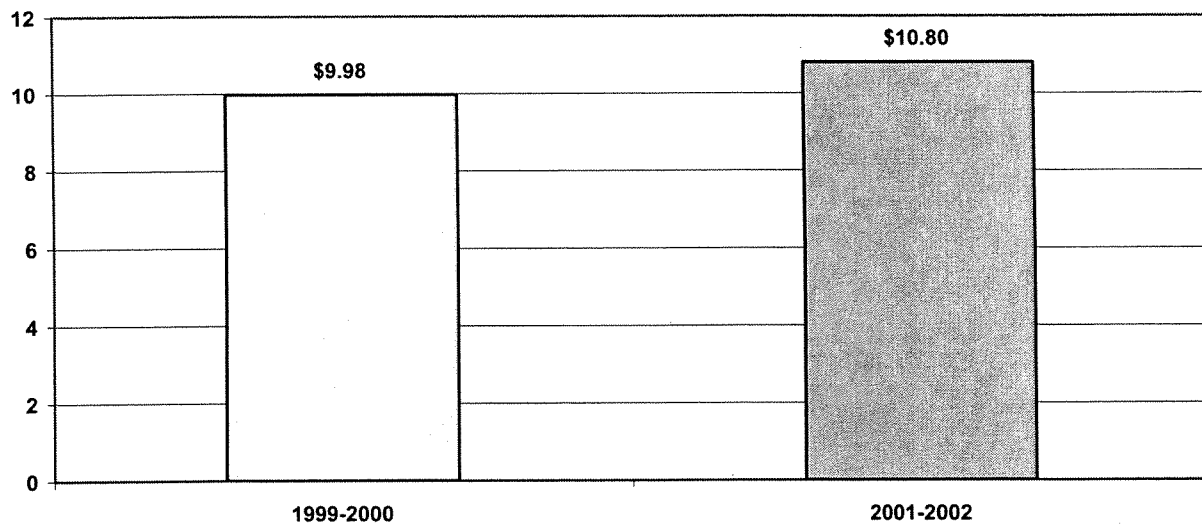


Figure 3.
Median Hourly Wages 6-9 Months Before Program Participations in Private Career Schools



Percent Female	51
Median Age at Registration	27

(3) Competency Gains

Completion Rate	72 percent
Median Program Length	4 months

Figure 4.
Private Career School Students Receiving Specific Skills Training

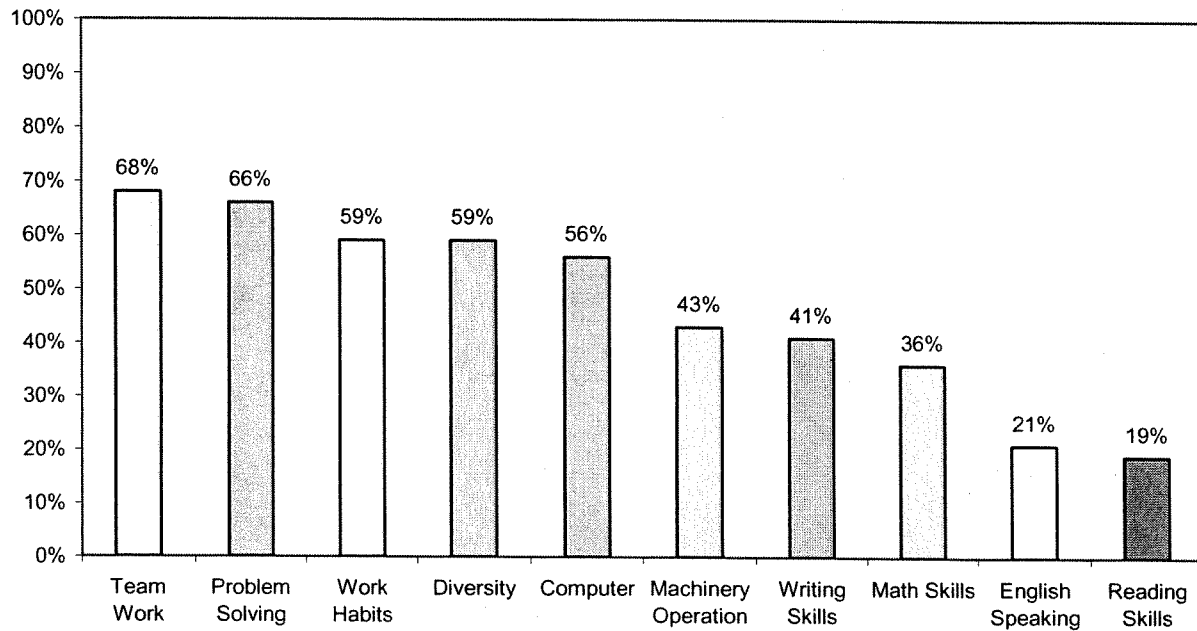


Figure 5.
Private Career School Students Receiving Specific Skills Training Who Reported Their Skills Improved a Little or a Lot

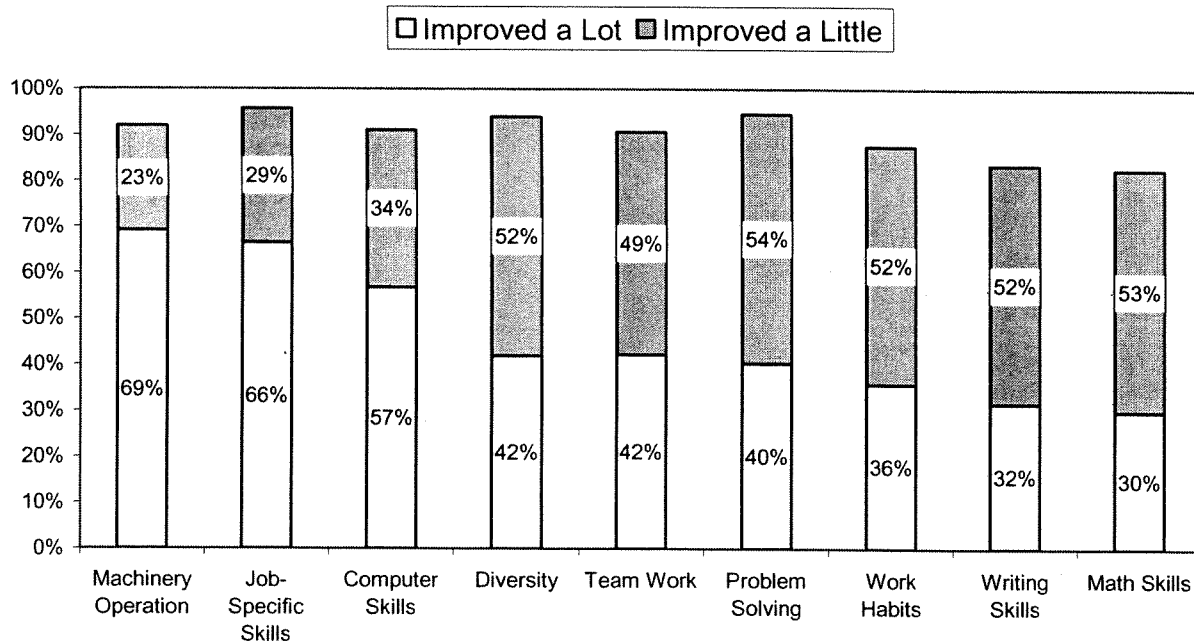


Figure 6.
Percentage of Private Career School Students Who Said Their Job-Specific Skills Improved a Lot

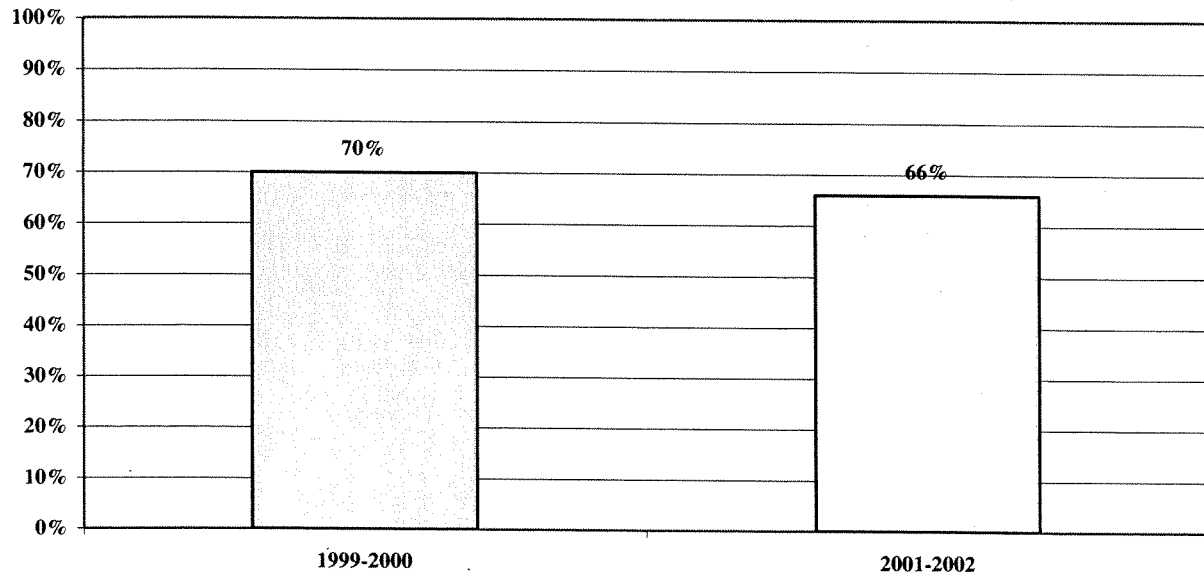
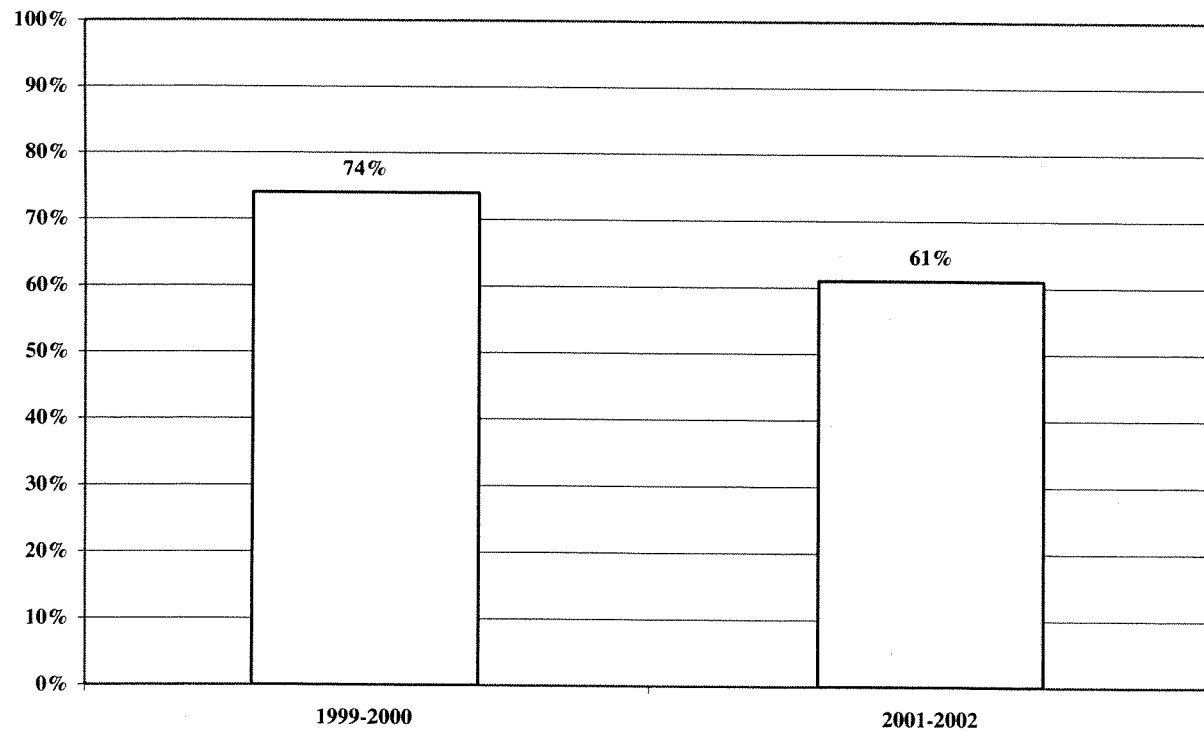


Figure 7.
Percentage of Employed Former Private Career School Students Who Reported Training Related to Job Held 9 Months After Leaving School



(4) Participant Satisfaction

Percent Reporting Overall
Satisfaction With Program 75

Percent Reporting Educational
Objectives Met 78 (versus 89 two years ago)

Figure 8.
Support Service Needs of Private Career School Students
Among All Students the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

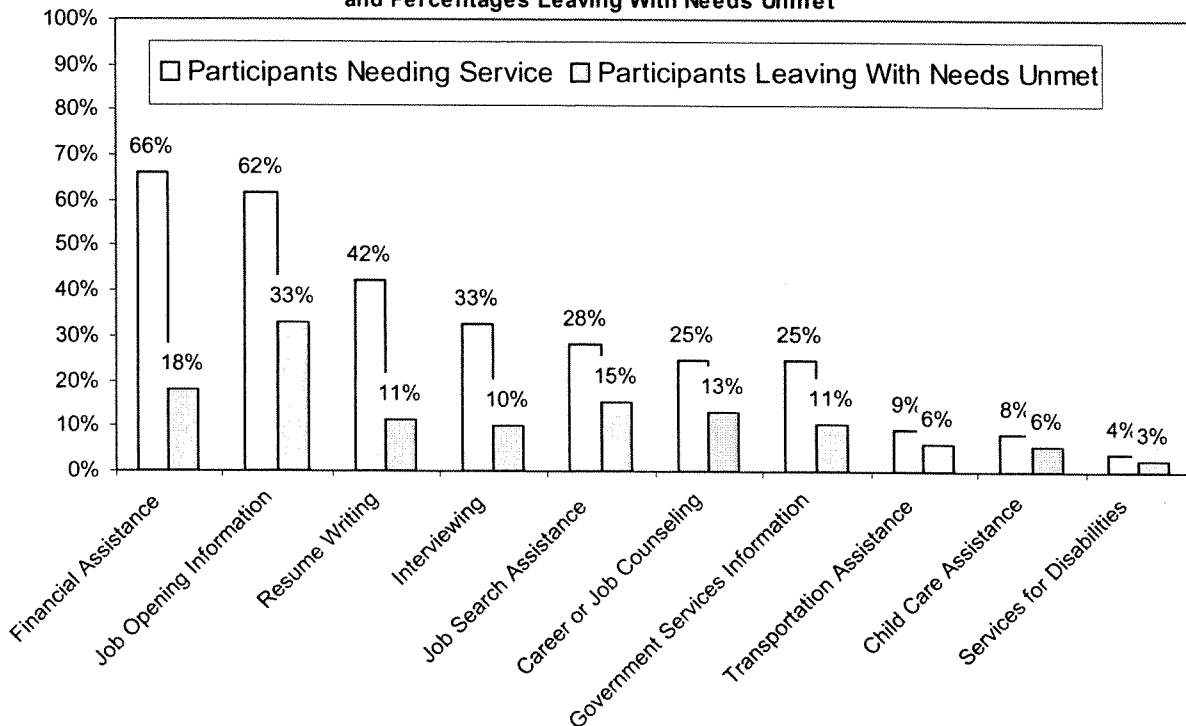
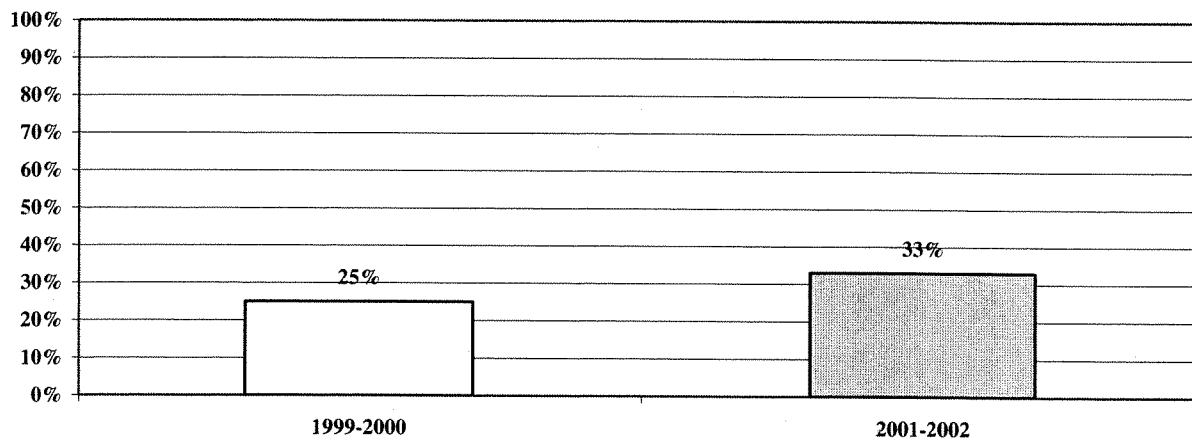
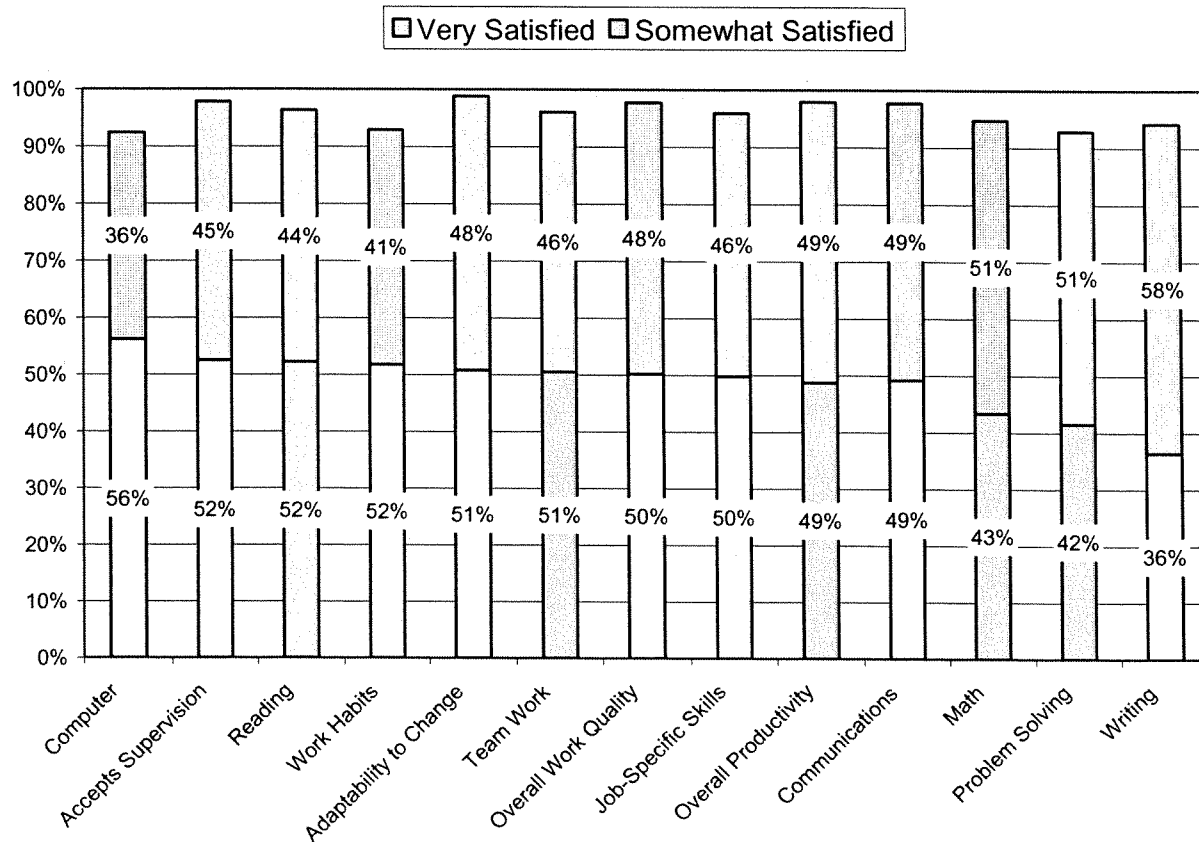


Figure 9.
Percentage of Private Career School Students Leaving School
With Unmet Need for Job Opening Information



(5) Employer Satisfaction

Figure 10.
Employer Satisfaction With New Employees Who Had Recently Completed a Private Career School Program



(6) Employment and Earnings

Figure 11. Employment and Earnings of Private Career School Students in the Third Quarter After Leaving the Program

	1997-98	1999-00		2001-02	
	All	All	Completers	All	Completers
Percentage self-reporting employment during third quarter after leaving program	87%	87%		77%	
Percentage with employment reported by employers to ESD the third quarter after leaving program	72%	69%	70%	66%	68%
Median quarterly hours worked, of those working	448	450	463	428	443
Percentage employed full-time of those working (averaging 30 or more hours/week)	56%	60%	63%	57%	60%
Median annualized earnings of those working	\$16,962	\$19,968	\$21,247	\$19,453	\$20,862
Size of household in which median earnings would support at poverty level	3.5	4.5	4.9	4.3	4.8
Size of household in which median earnings would support at twice poverty level	0.9	1.3	1.5	1.2	1.5
Median hourly wage of those working	\$9.69	\$11.60	\$11.96	\$11.72	\$12.15

Figure 11. Employment and Earnings of Private Career School Students in the Third Quarter After Leaving the Program (continued)

	1997-98	1999-00		2001-02	
	All	All	Completers	All	Completers
Percentage self-reporting receipt of medical benefits from employer	68%	71%		64%	
Percentage self-reporting receipt of pension benefits from employer	33%	39%		36%	
Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003.					

Figure 12. Percentage of Private Career School Students Self-Reporting Employment 6-9 Months After Leaving School

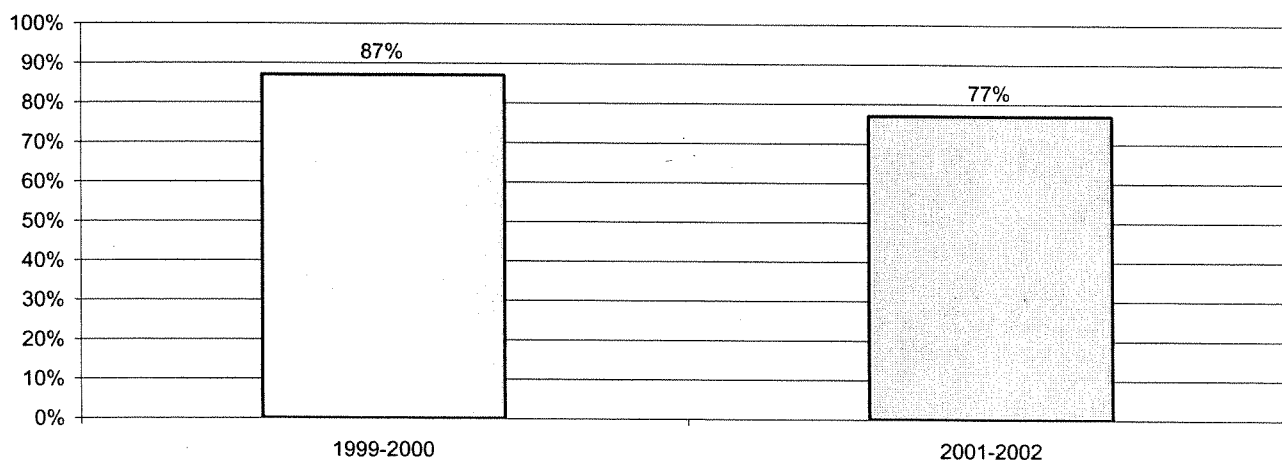


Figure 13. Percentage of Private Career School Students With Employment Reported to Employment Security Department 6-9 Months After Leaving School

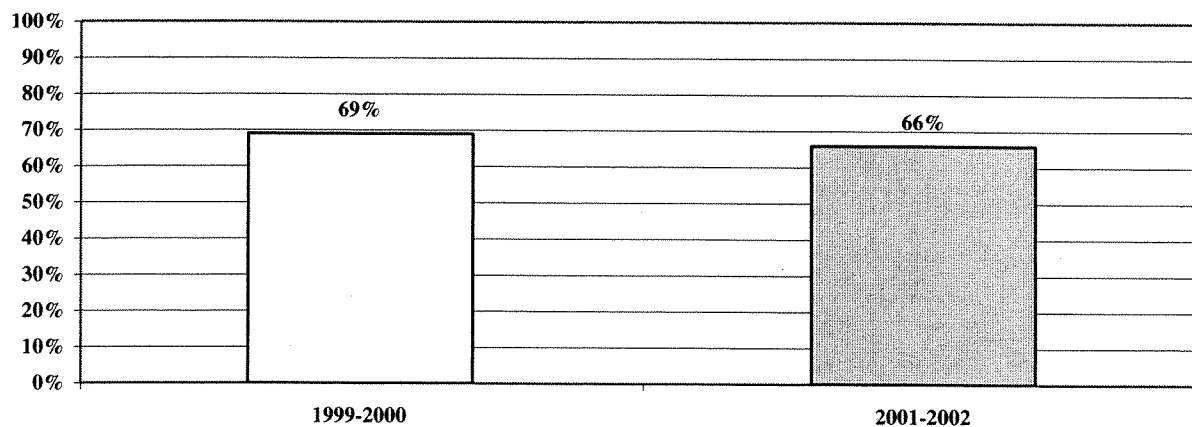


Figure 14.
Median Annualized Earnings of Private Career School Students
6-9 Months After Leaving School

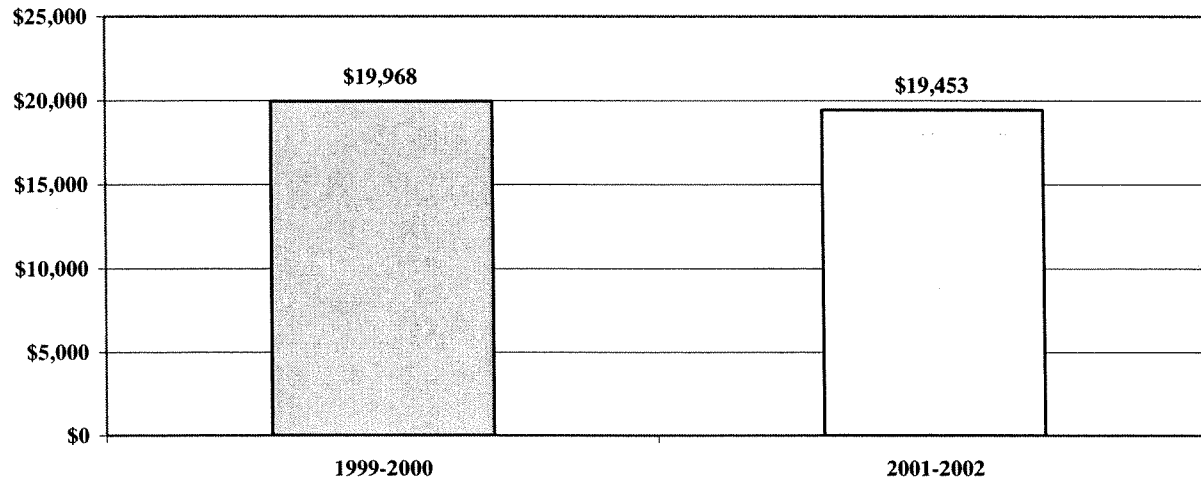
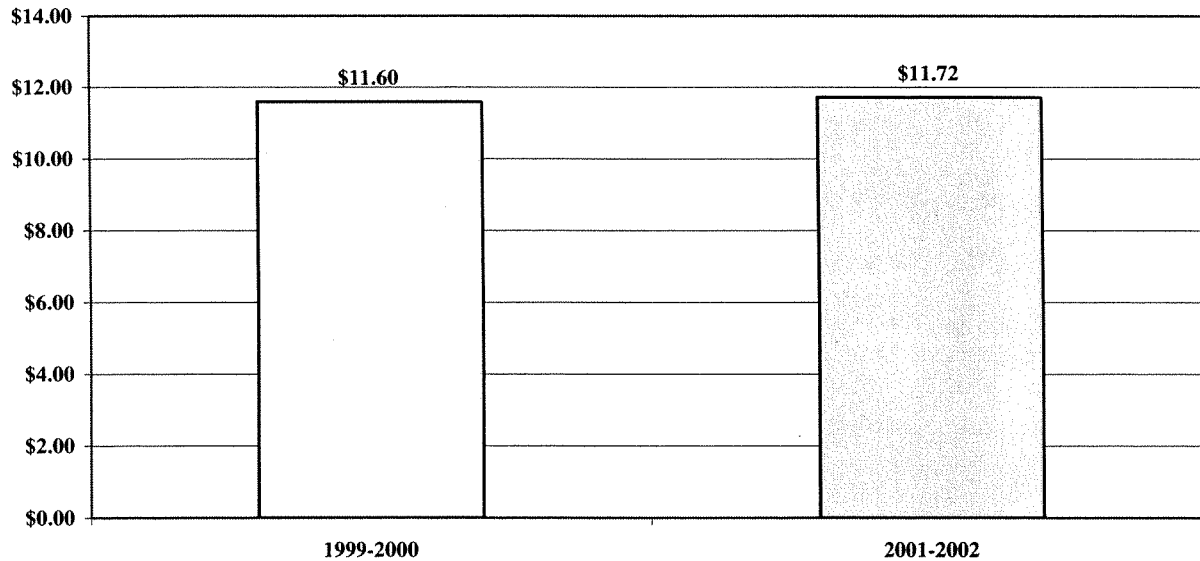


Figure 15.
Median Hourly Wages of Private Career School Students
6-9 Months After Leaving School



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(7) Other Findings

- Cyclical Factors Affecting Earnings and Employment

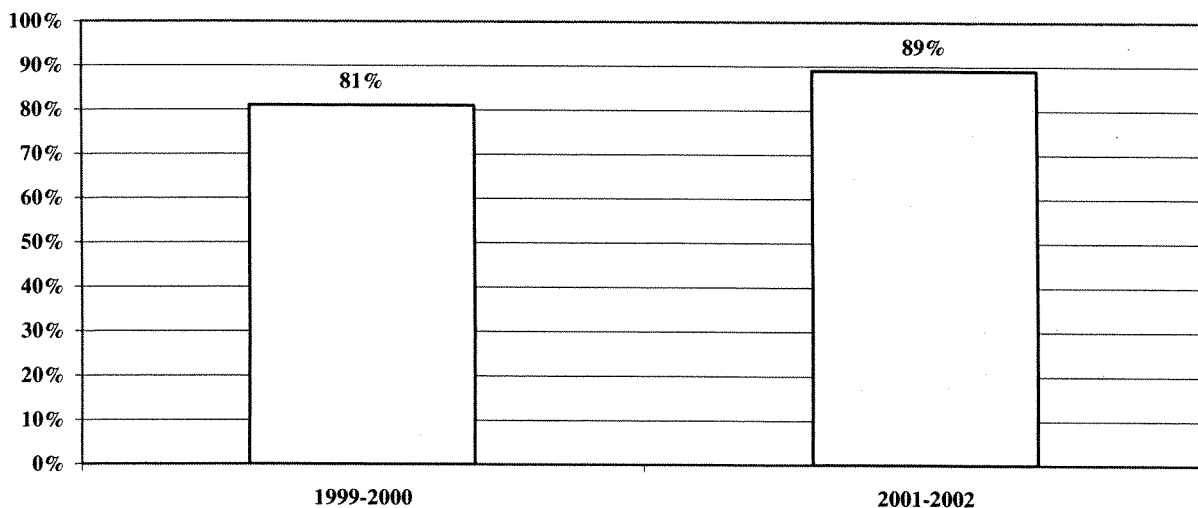
The business cycle contributed to the decline in postprogram employment and earnings among private career school students leaving programs during the 1999-2000 and 2001-2002 school years. The more recent cohort faced a much weaker labor market. Moreover, the downturn in the Information Technology (IT) industry had a large impact on outcomes; IT is a popular field of study among private career school students.

- Gender Differences in Outcomes

Gender differences in postprogram hours worked, earnings, and wages are significant.

	Women	Men	Ratio
Median Quarterly Hours Worked	402	453	89 percent
Median Annual Earnings	\$17,402	\$22,164	79 percent
Median Hourly Wage	\$11.11	\$12.52	89 percent

Figure 16.
Hourly Wages of Women Relative to Men During Third Quarter
After Leaving a Private Career School



- Differences in Outcomes by Race and Ethnicity

Annual earnings and hourly wages are significantly lower for former African American, Native American, and Hispanic private career school students.

Median Annual Earnings and Wages (Relative to Whites)

	Earnings	Wages
African American	92 percent	93 percent
Native American	79 percent	95 percent
Hispanic	93 percent	89 percent

Apprenticeship

(1) Data

Findings are based on the following sources of data:

- Program records on 3,099 apprentices who left an apprenticeship program during the 2001-2002 program year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 182 former apprentices, providing additional information on employment and satisfaction with the program.
- Survey responses from 213 employers that hired new employees who recently completed an apprenticeship program.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of Apprenticeship Program Participants:
Race and Ethnicity

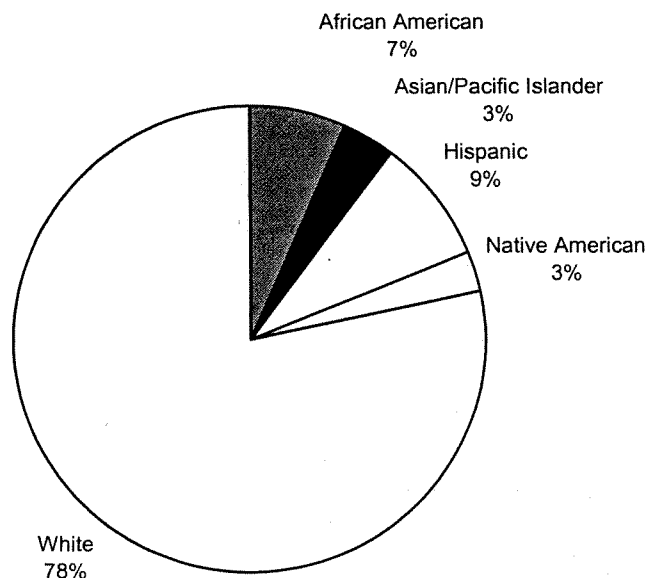


Figure 2.
Percentage of Apprentices Who Are People of Color

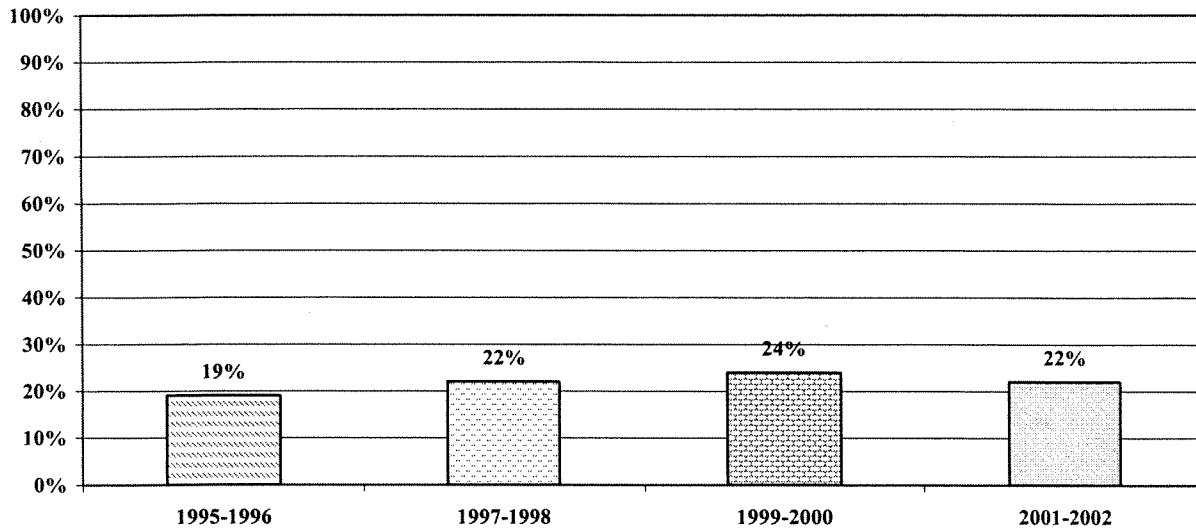
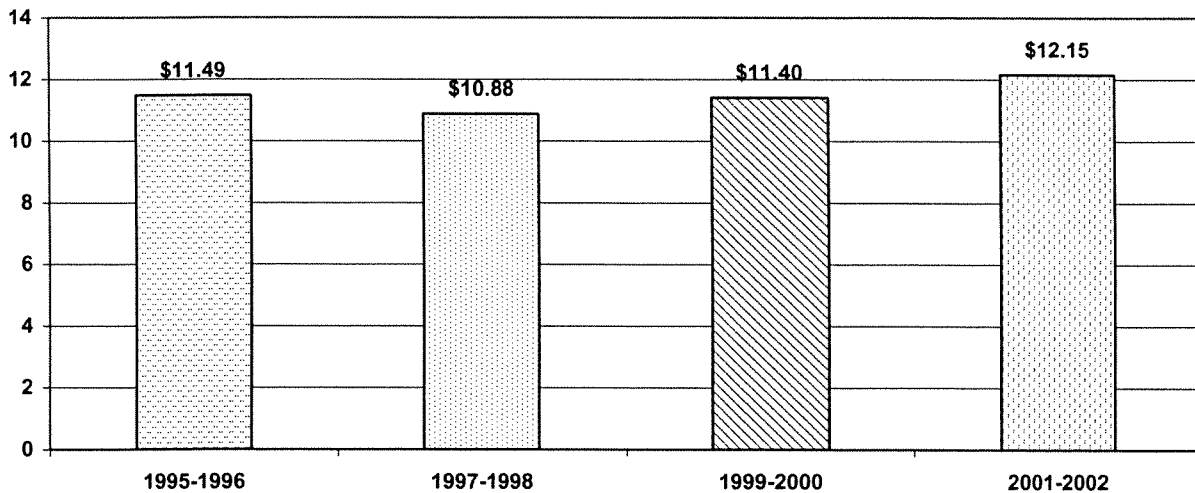


Figure 3.
Median Hourly Wages 6-9 Months Before Entering Apprenticeship Programs



Percent Female
Median Age

13 (versus 11 two years ago)
27 (unchanged from two years ago)

(3) Competency Gains

Completion Rate
Median Program Length

43 percent (versus 35 percent two years ago)
20 months overall (versus 13 months two years ago)
39 months for completers
11 months for non-completers

Figure 4.
Apprentices Receiving Classroom Skills Training

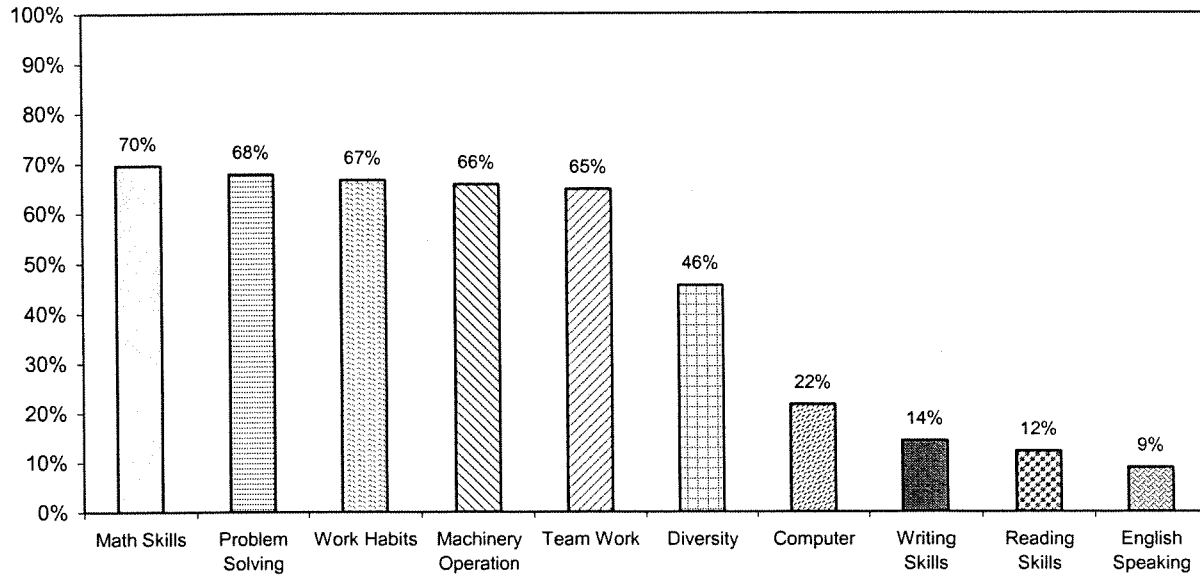


Figure 5.
Apprentices Receiving Skills Training Who Reported Their Skills Improved a Little or a Lot Due to Classroom Training

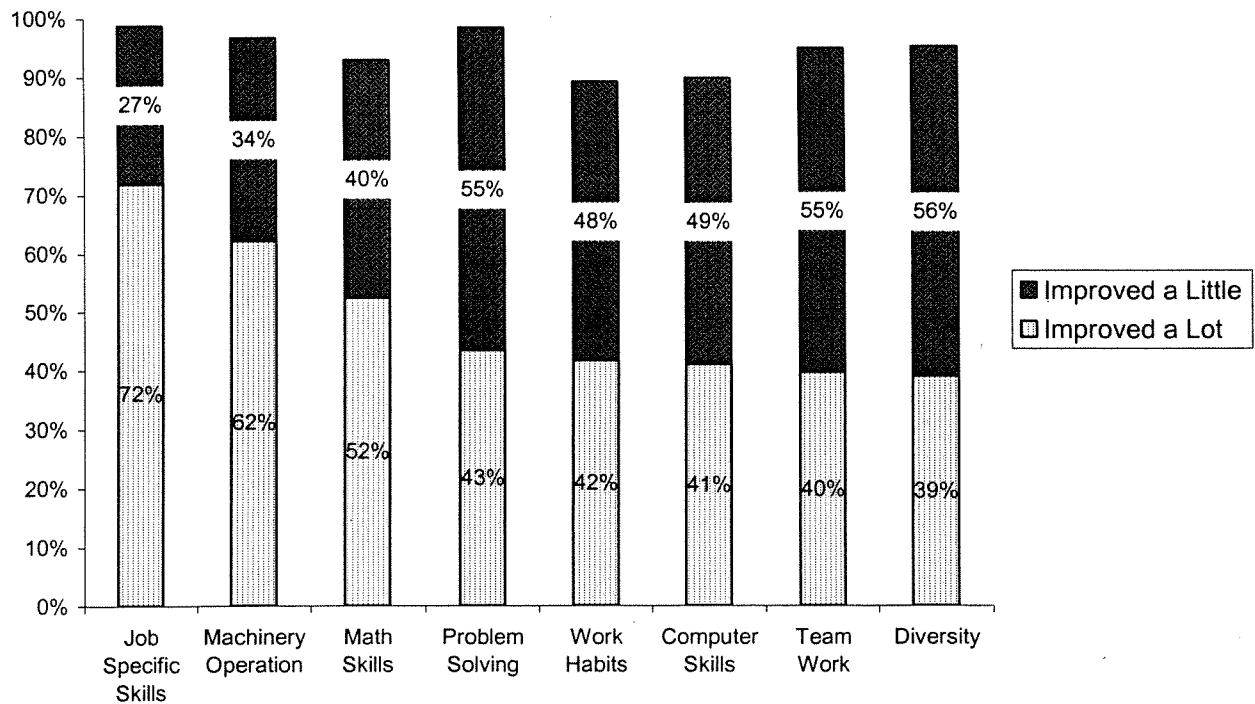


Figure 6.
Apprentices Receiving On-The-Job Skills Training

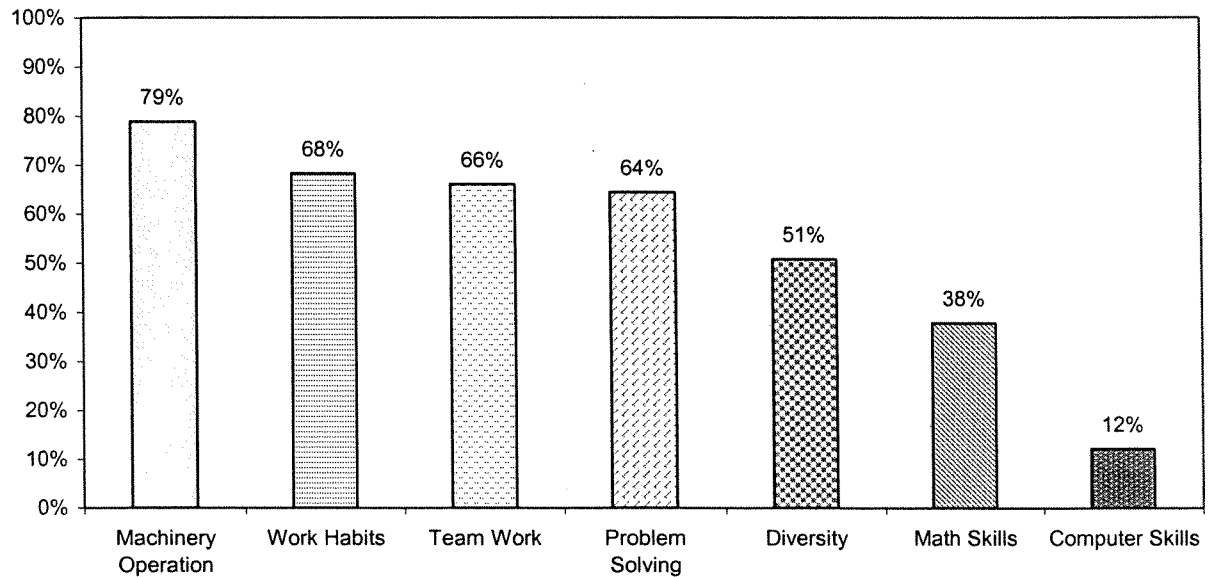


Figure 7.
Apprentices Receiving Skills Training Who Reported Their Skills Improved a Little or a Lot Due to On-The-Job Training

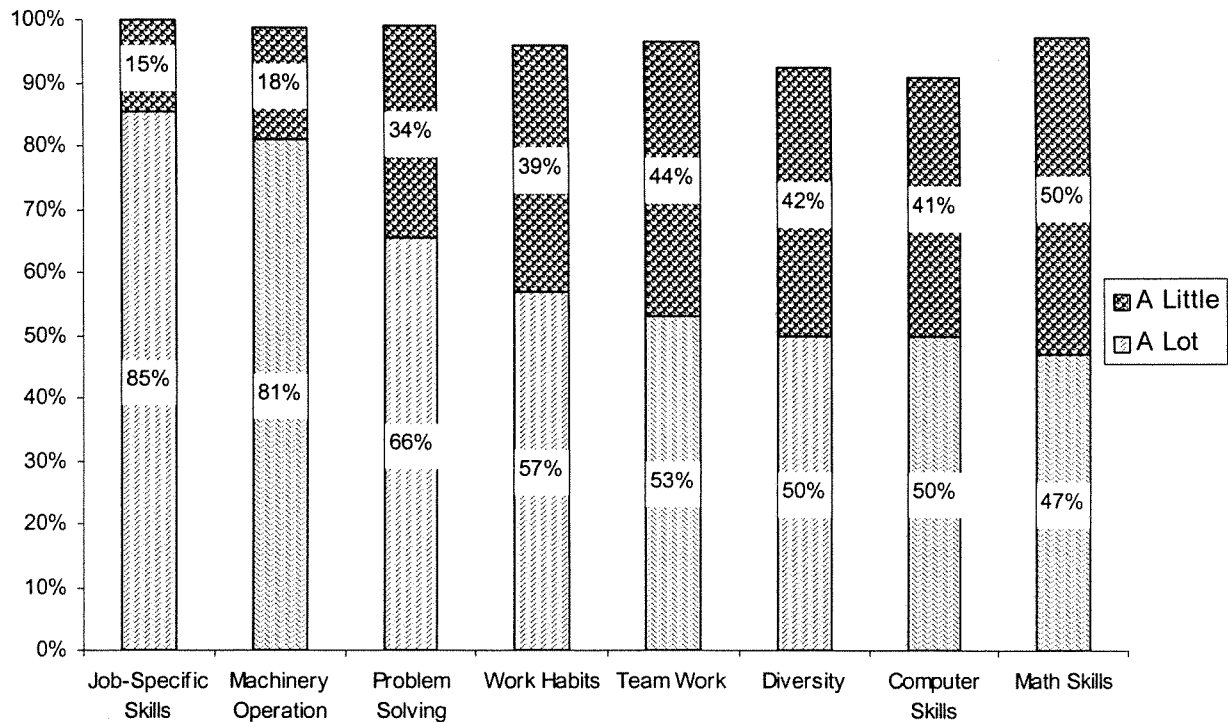


Figure 8.
Percentage of Apprentices Who Said Their Job-Specific Skills
Improved a Lot Due to Classroom Training

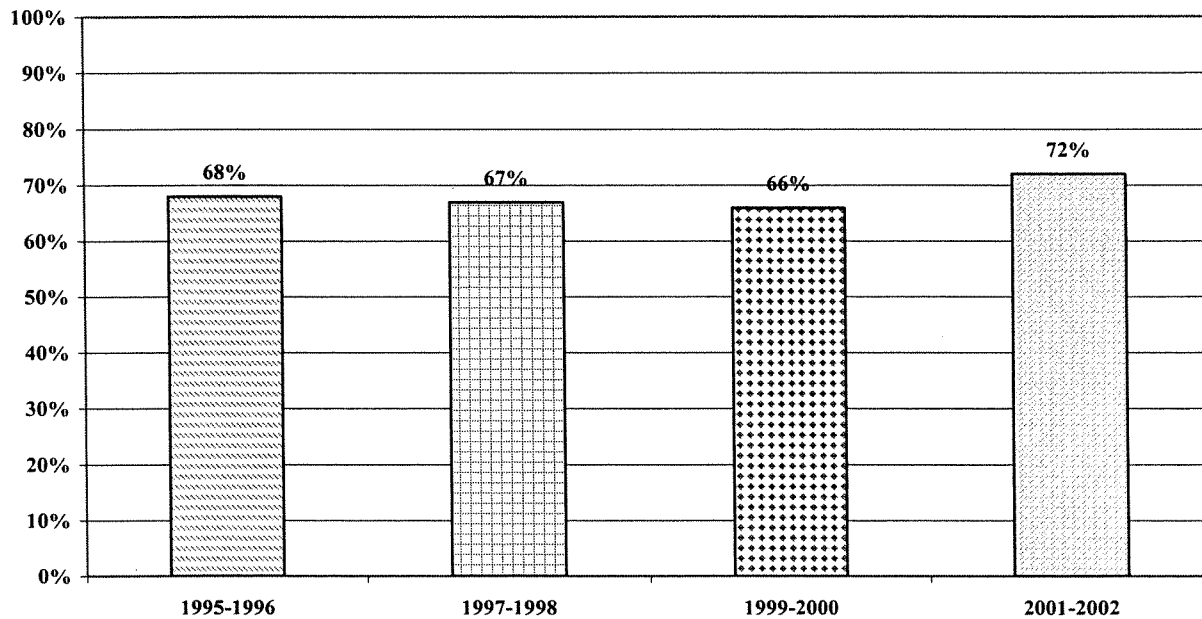
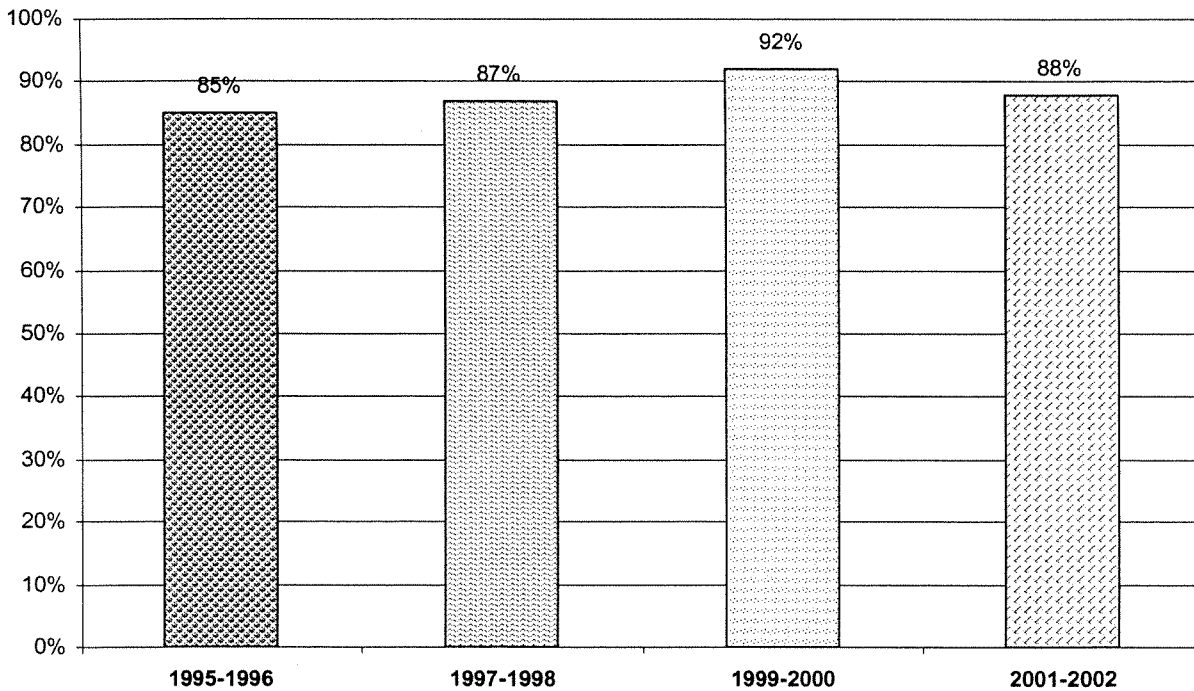


Figure 9.
Percentage of Employed Apprentices Reporting Training was Related to Job Held During
Third Quarter After Exit



(4) Participant Satisfaction

Figure 10.
Support Service Needs of Apprentices
Among All Participants the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

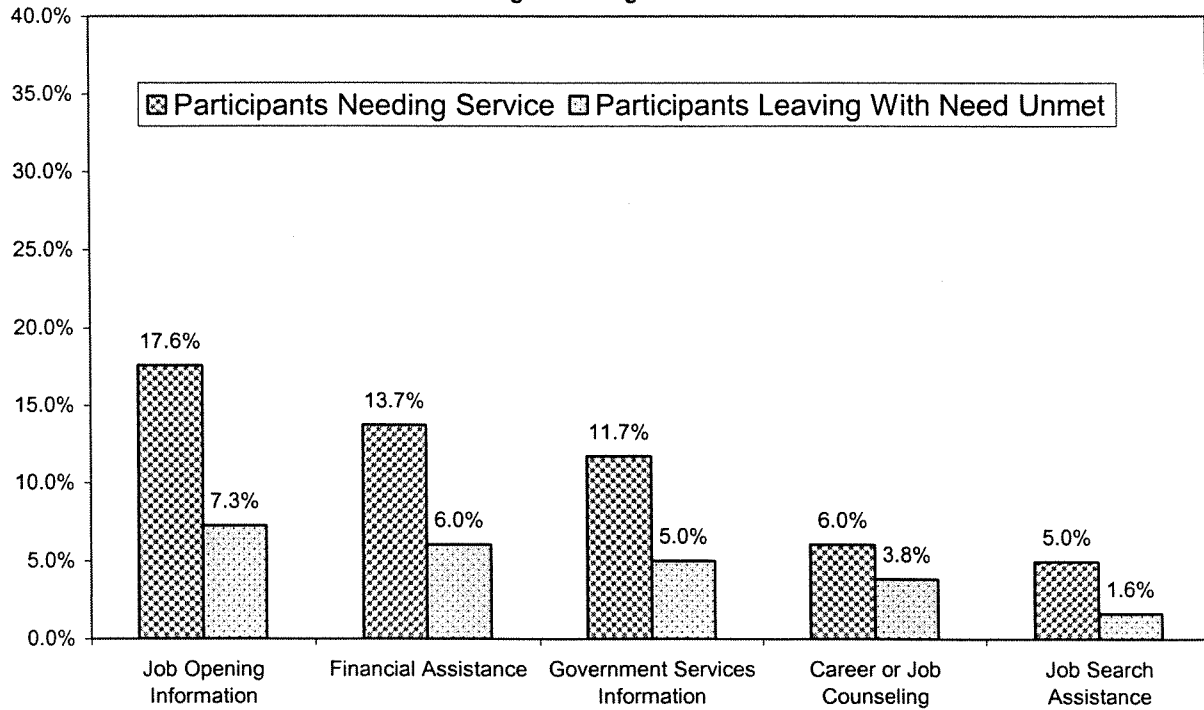
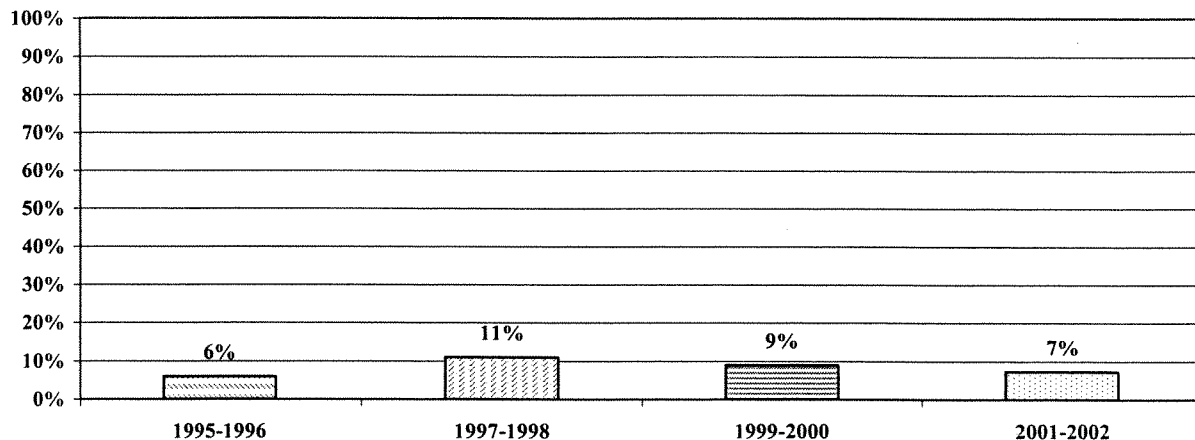


Figure 11.
Percentage of All Apprentices Leaving Program With Unmet Need
for Job Opening Information

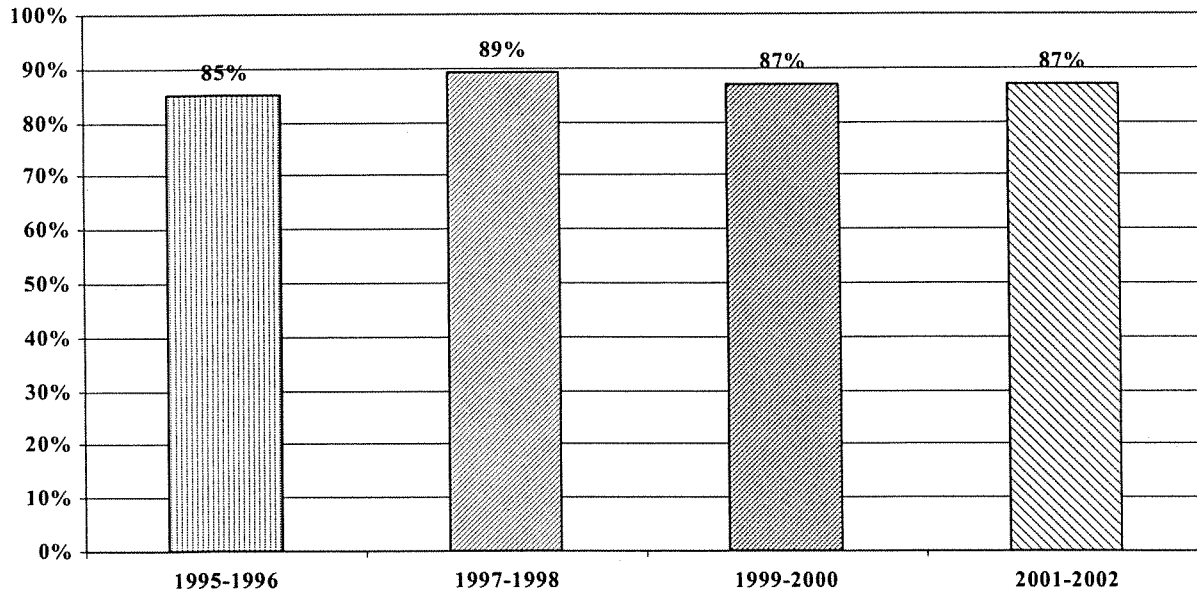


Percent Reporting Overall

Satisfaction With Program

Classroom Training Portion	84
On-The-Job Training Portion	86

Figure 12.
Percentage of Participants Satisfied With Their Apprenticeship Program

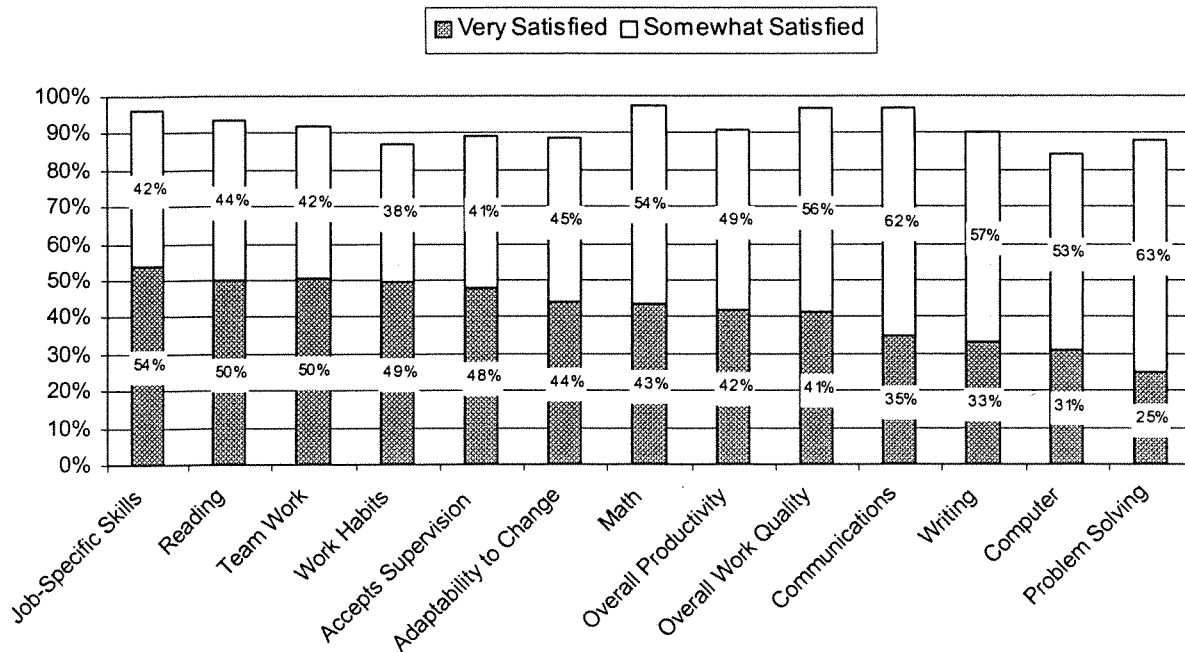


Percent Reporting Educational
 Objectives Met

89

(5) Employer Satisfaction

Figure 13.
**Employer Satisfaction With New Employees Who Had Recently Completed an
 Apprenticeship Program**



(6) Employment and Earnings

Figure 14. Employment and Earnings of Apprenticeship Program Participants in the Third Quarter After Leaving the Program

	1995-96	1997-98		1999-00		2001-02	
	All	All	Completers	All	Completers	All	Completers
Percentage self-reporting employment during third quarter after leaving the program	93%	93%		92%		87%	
Percentage with employment reported by employers to ESD the third quarter after leaving the program	68%	64%	75%	75%	93%	73%	86%
Median quarterly hours worked, of those working	455	456	480	460	489	442	464
Percentage employed full-time of those working (averaging 30 or more hours/week)	63%	58%	66%	65%	82%	60%	68%
Median annualized earnings of those working	\$30,708	\$29,109	\$45,411	\$33,451	\$52,208	\$31,380	\$45,798
Size of household in which median earnings would support at poverty level	7.9	7.4	12.6	8.8	14.8	8.1	12.7
Size of household in which median earnings would support at twice poverty level	3.0	2.8	5.4	3.5	6.5	3.1	5.4
Median hourly wage of those working	\$19.58	\$18.03	\$25.97	\$19.85	\$28.15	\$20.91	\$28.01
Percentage self-reporting receipt of medical benefits from employer	81%	83%		89%		87%	
Percentage self-reporting receipt of pension benefits from employer	72%	78%		81%		80%	

Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003.

Figure 15. Percentage of Apprentices Self-Reporting Employment 6-9 Months After Leaving Program

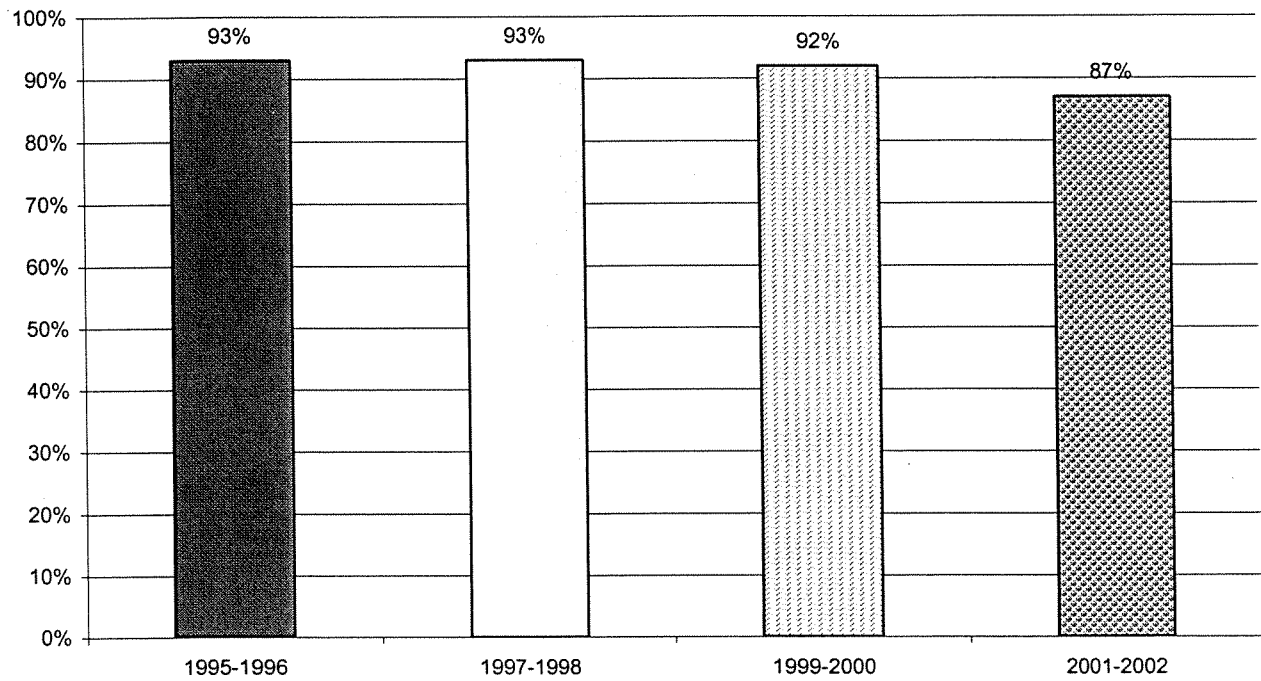


Figure 16.
Percentage With Employment Reported to Employment Security Department 6-9 Months After Leaving Apprenticeship

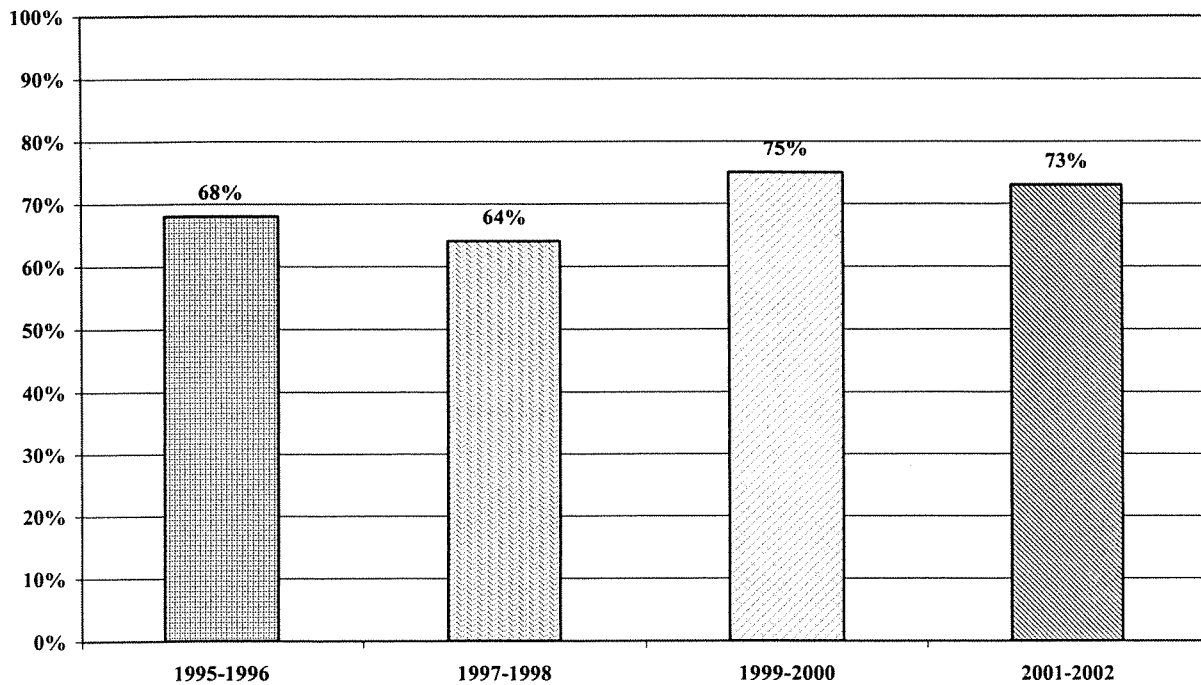


Figure 17.
Median Annualized Earnings of Participants 6-9 Months After Leaving Apprenticeship

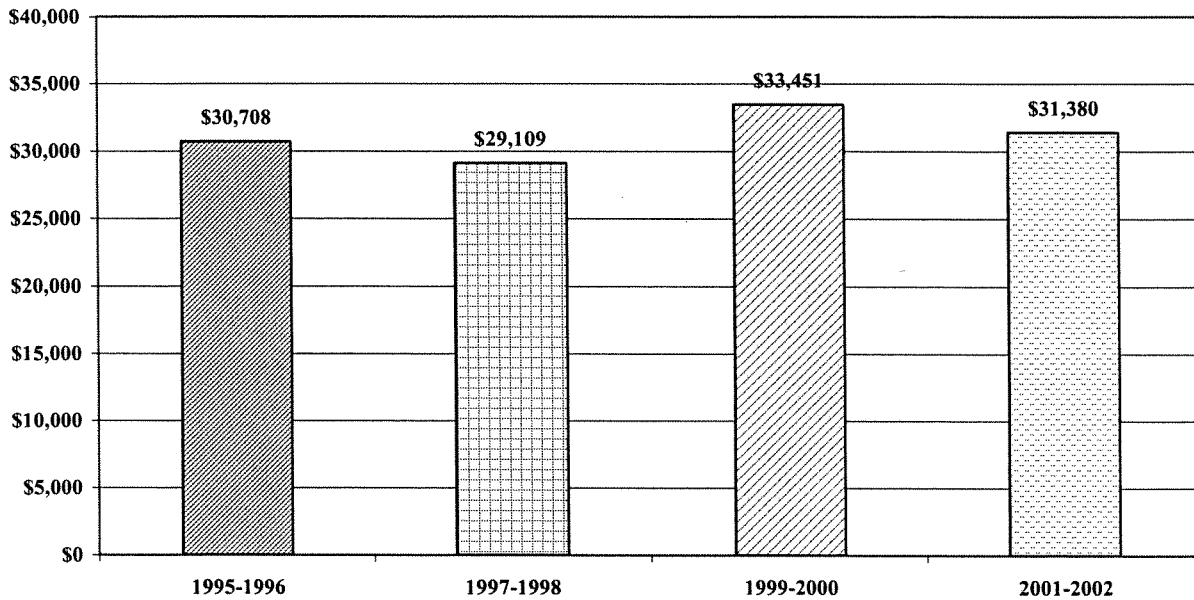
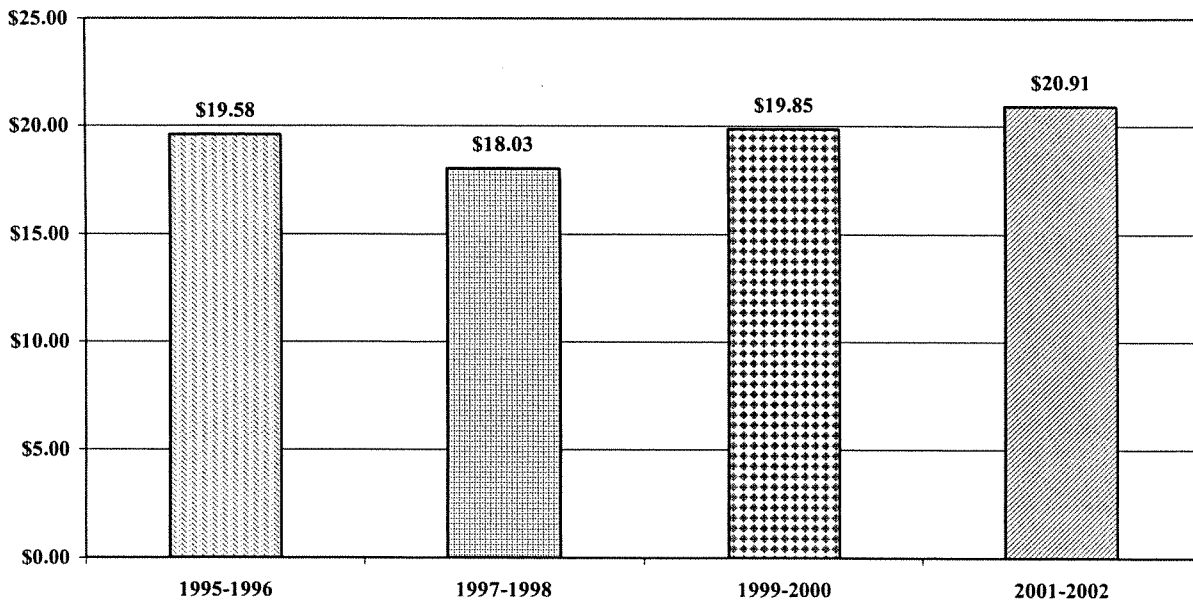


Figure 18.
Median Hourly Wages of Participants 6-9 Months After Leaving Apprenticeship



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(7) Other Findings

- Cyclical Factors in Construction Demand

The business cycle contributed to the decline in postprogram employment and earnings among apprentices between the 1999-2000 and 2001-2002 program years. We measure earnings and employment during the third quarter after leaving a program. The earlier cohort entered the labor market during the tail end of a four-year construction boom. This boom ended in 2001, and those leaving apprenticeships during 2001-2002 were confronted with a cyclical downturn in the industry. Total construction employment declined by 1.4 percent during 2002.

- Program Completion and Earnings

The observed increase in the completion rate is important. We examined the impact of program completion on annual earnings and wages, controlling for age, race, gender, and program type (variables reflecting 42 different trade codes). The regression analysis suggests that program completion adds about \$17,000 to annual earnings and \$8.50 to hourly wages.

- Gender Differences in Outcomes

Annual earnings and hourly wages of former female apprentices are significantly lower than those for male apprentices.

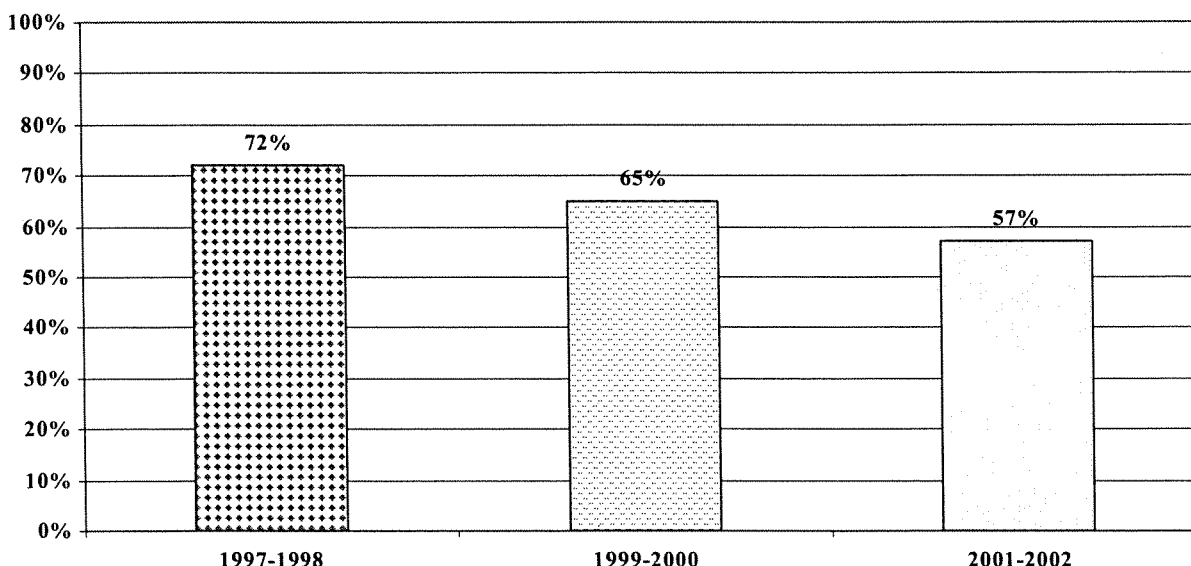
Median Annual Earnings and Hourly Wages (Relative to Males)

Earnings	59 percent
Wage	57 percent

An important factor contributing this gender gap is the concentration of women in relatively new apprenticeship programs providing training outside the construction trades. Among those leaving apprenticeships during 2001-2002, 44 percent of women (and virtually no men) left programs in cosmetology, early childhood education, and teaching/library assistantship.

Regression analysis suggests that much of the gender gap in earnings and wages are due to differences in enrollment across types of programs. We regressed hourly wages on demographic variables (age, gender, race), program completion status, months in training, and program type (controlling for 42 different trades). Former female apprentices earn, on average, \$6.25 less per hour than males. Controlling for completion status and length of training reduces this gap by 11 percent. Differences in program type account for 58 percent of the gender gap in wages. Controlling for program type and completion reduces the wage to \$2 per hour.

Figure 19.
Hourly Wages of Women Relative to Men
During Third Quarter After Apprenticeship Training



- Racial and Ethnic Differences in Outcomes

Completion rates are significantly lower among African American (33 percent) and Hispanic apprentices (32 percent) than among whites (44 percent).

Employment rates (as captured in UI wage records) are also significantly lower for African American (61 percent) and Hispanic apprentices (67 percent) than for whites (74 percent).

Annual earnings and hourly wages are significantly lower for these two groups.

Median Annual Earnings and Wages (Relative to Whites)

	Earnings	Wage
African American	68 percent	81 percent
Hispanics	78 percent	91 percent

Former African American apprentices earn, on average, \$2.90 less per hour than whites. Wage regressions suggest that about half of this gap can be explained by differences in completion status, length of training, and program type. These same factors explain most (90 percent) of the wage gap between Hispanic and white apprentices.

Community and Technical College Worker Retraining Program

(1) Data

Findings are based on the following sources of data:

- Program records on 7,495 Worker Retraining students who completed or otherwise left a community or technical college during the 2001-2002 school year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 367 former students, providing additional information on employment and satisfaction with the program.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of Community and Technical College
Worker Retraining Participants: Race and Ethnicity

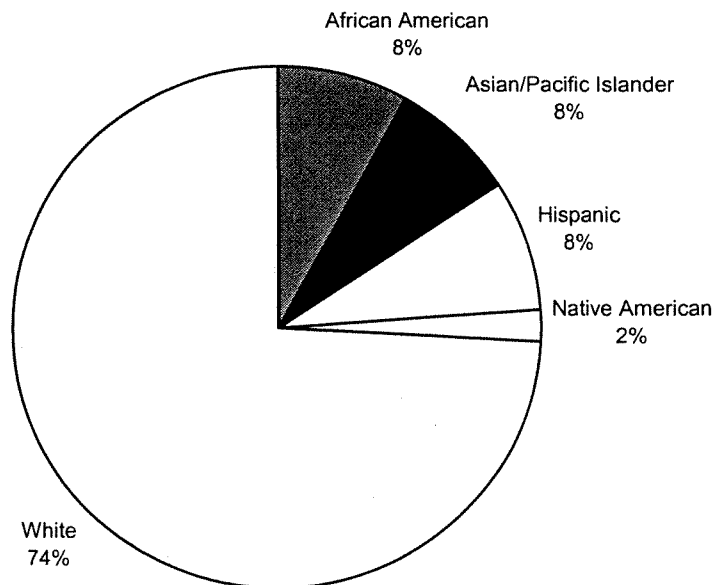
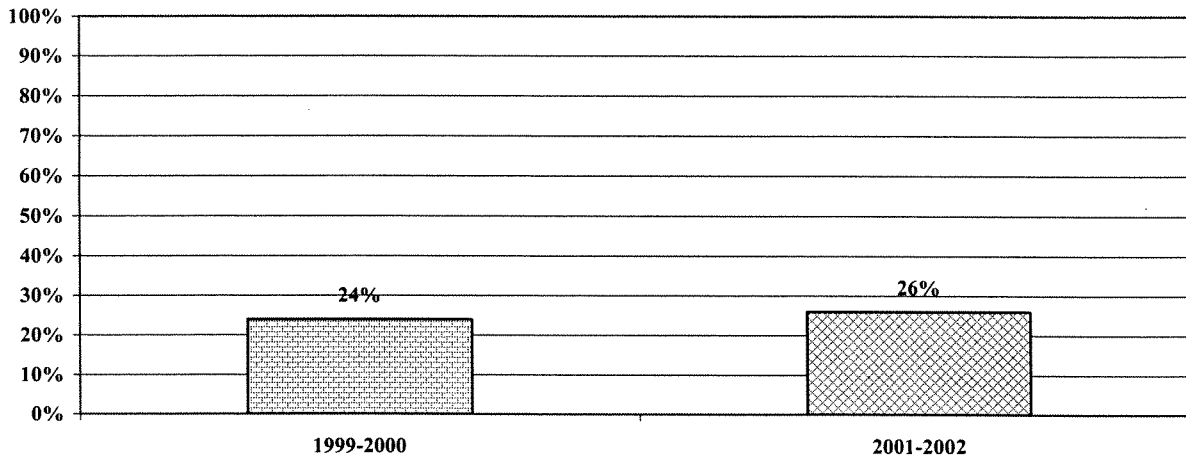


Figure 2.
Percentage of Worker Retraining Students Who Are People of Color

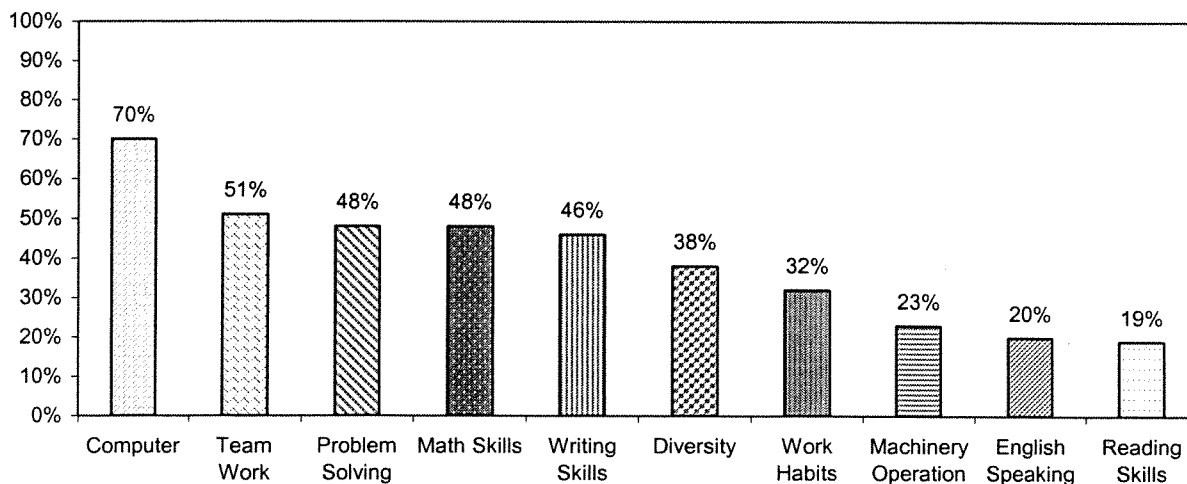


Percent Female 48 percent
Median Age at Exit 40

(3) Competency Gains

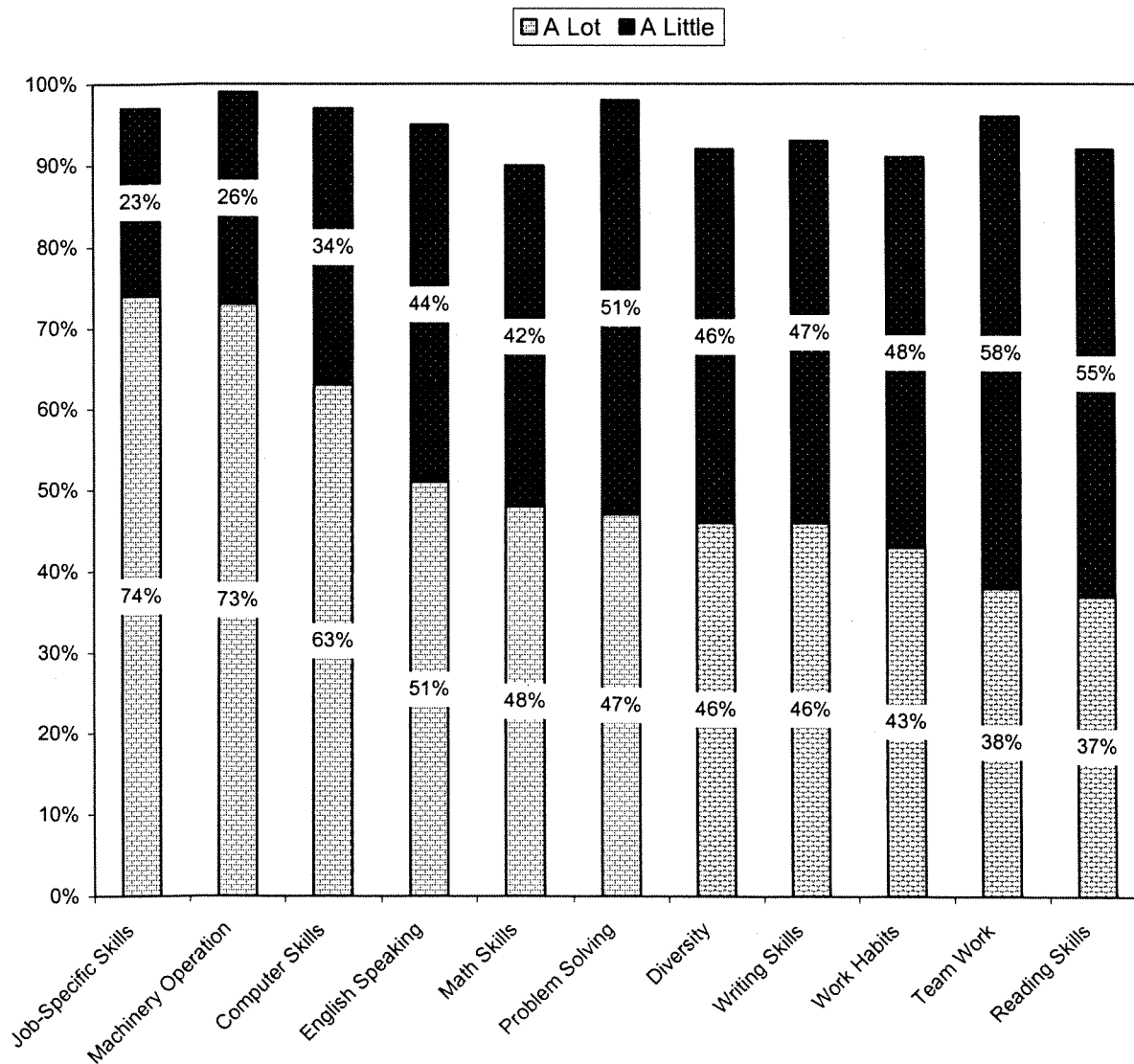
Median Program Length 9 months
Completion Rate¹ 51 percent
Percent Receiving Associate Degrees 17 percent
Percent Receiving Vocational Certificates 13 percent

Figure 3.
Community and Technical College Worker Retraining Participants Receiving Specific Skills Training



¹ Program completers as defined by the State Board for Community and Technical Colleges, includes students who received a degree or certificate, those who completed 45 or more credits, and those who completed unique (short term) training programs.

Figure 4.
Worker Retraining Participants Receiving Specific Skills Training Who Reported Their Skills
Improved a Little or a Lot



Percent Reporting Education and Training Related to Job 63 percent

(4) Participant Satisfaction

Percent Reporting Overall Satisfaction With Program 86 percent

Percent Reporting Educational Objectives Met 82 percent

Figure 5.
Support Service Needs of Worker Retraining Participants
Among All Participants the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

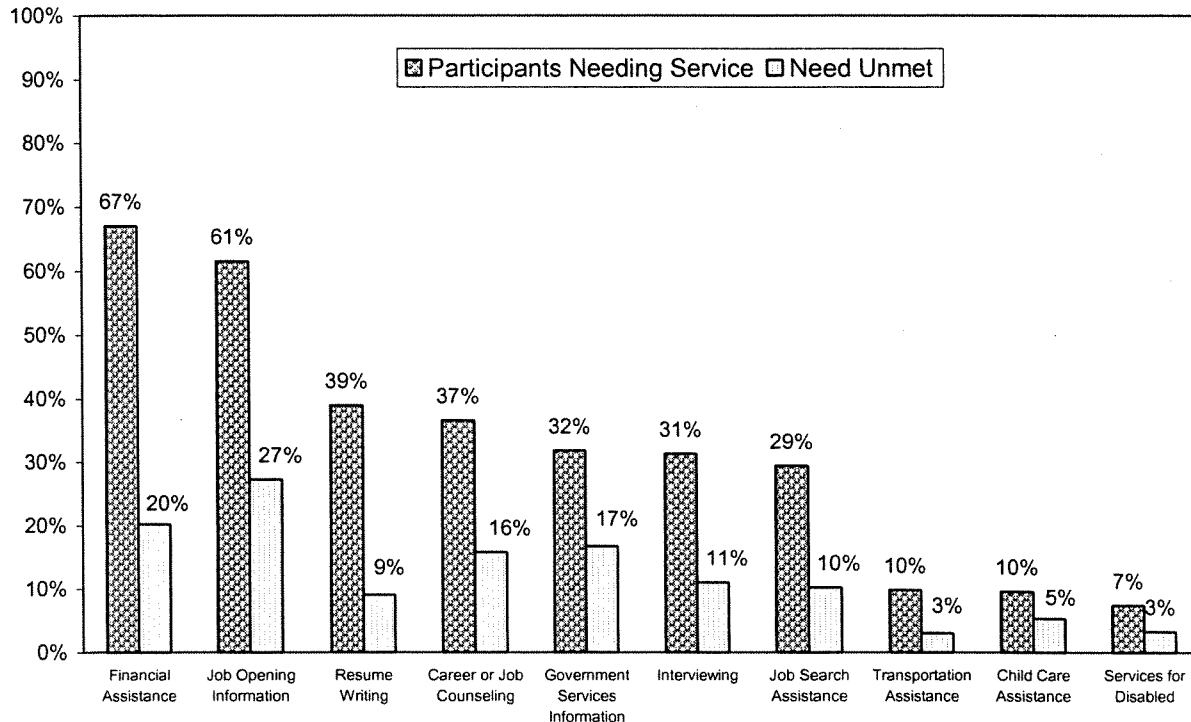


Figure 6. Employment and Earnings of Community and Technical College Worker Retraining Participants in the Third Quarter After Leaving Program

	1997-98	1999-00		2001-02	
	All	All	Completers	All	Completers
Percentage self-reporting employment during third quarter after leaving program				71%	
Percentage with employment reported by employers to ESD the third quarter after leaving the program	73%	75%	77%	67%	70%
Median quarterly hours worked, of those working	470	480	482	455	455
Percentage employed full-time of those working (averaging 30 or more hours/week)	69%	69%	72%	61%	63%
Median annualized earnings of those working	\$22,438	\$24,802	\$26,277	\$21,648	\$23,065
Size of household in which median earnings would support at poverty level	5.3	6.0	6.5	5.0	5.5
Size of household in which median earnings would support at twice poverty level	1.7	2.1	2.3	1.6	1.8
Median hourly wage of those working	\$12.10	\$13.46	\$13.87	\$12.75	\$13.15
Percentage self-reporting receipt of medical benefits from employer				67%	
Percentage self-reporting receipt of pension benefits from employer				42%	

Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003. The participant survey for this survey was not conducted in prior years.

(5) Employment and Earnings

Figure 7.
Percentage of Worker Retraining Students With Employment Reported to
Employment Security Department 6-9 Months After Leaving Program

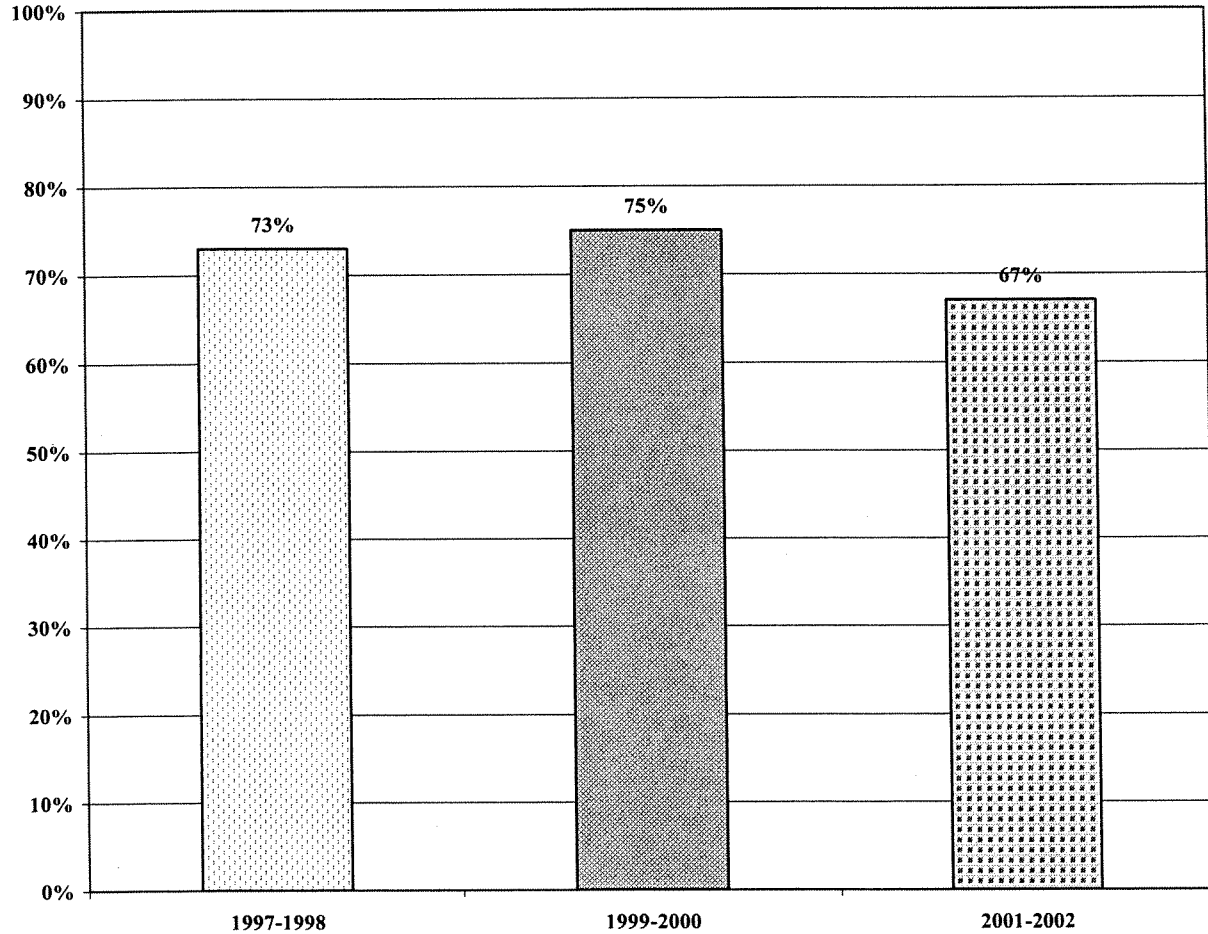


Figure 8.
Median Annualized Earnings of Worker Retraining Students
6-9 Months After Leaving Program

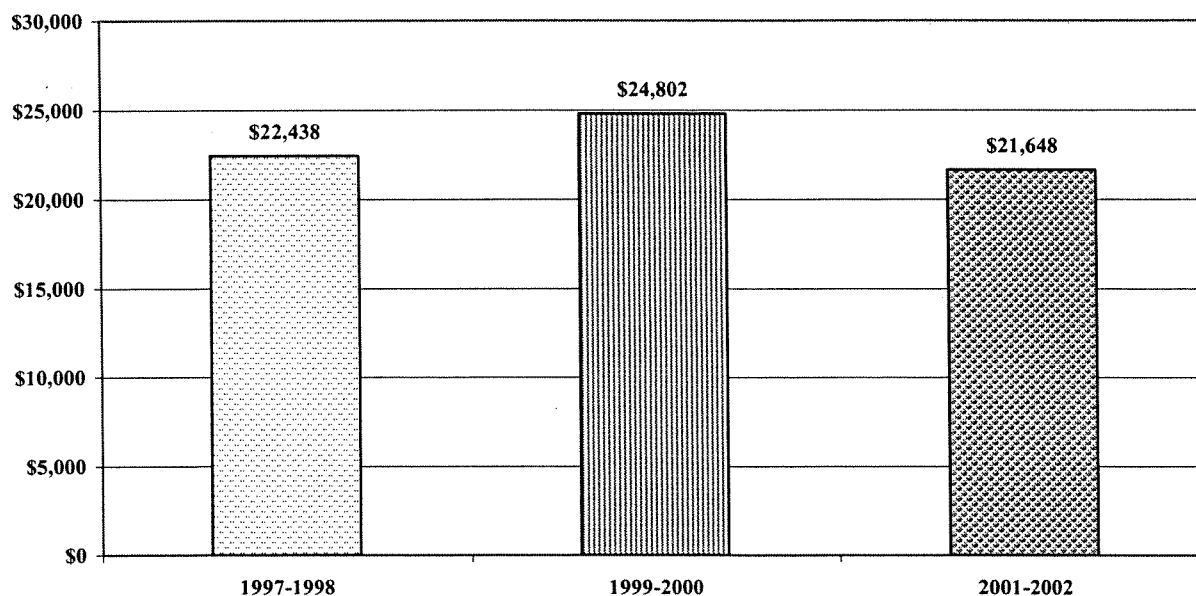
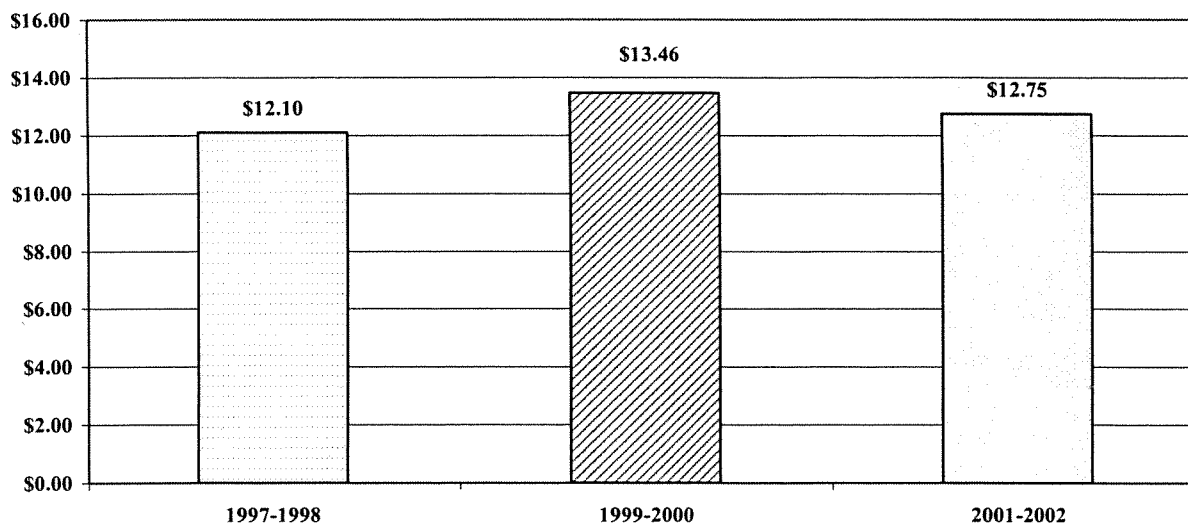


Figure 9.
Median Hourly Wages of Worker Retraining Students
6-9 Months After Leaving Program



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(6) Other Findings

- Cyclical Factors Affecting Earnings and Employment

The business cycle contributed to the decline in postprogram employment and earnings among worker retraining students leaving programs during the 1999-2000 and 2001-2002 school years. The more recent cohort faced a much weaker labor market. A regression model, which we developed for the Perkins placement measures, estimates the impact of unemployment rates, demographic characteristics, and other socioeconomic variables on postprogram employment among job preparatory students. This model suggests that increases in unemployment rates acted to reduce job placement among those taking vocational courses by about 2 percentage points between these years.

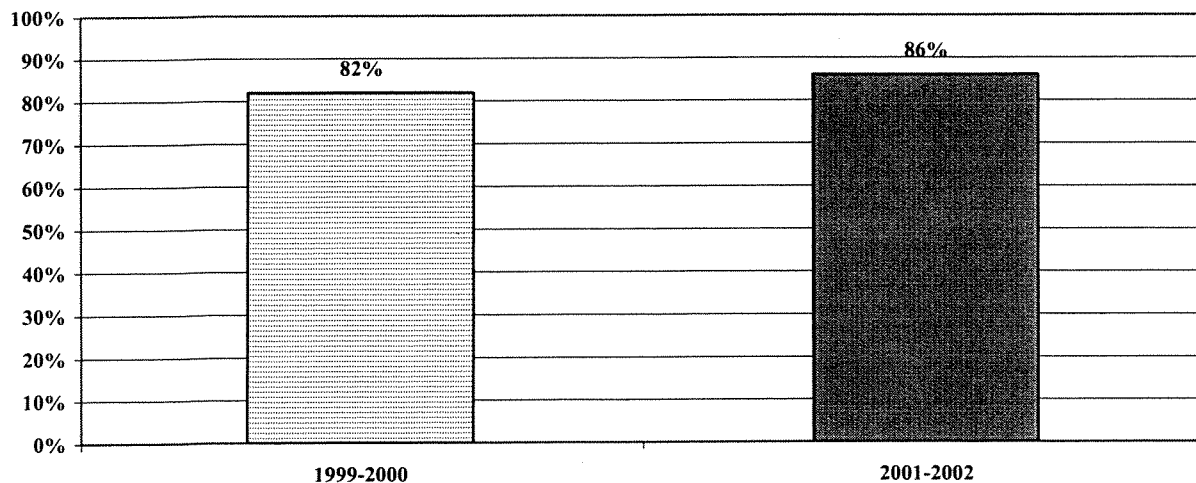
The decline in job placement, as measured by UI wage matches, was greater than expected among Worker Retraining students. One reason was the especially high proportion of these students who were enrolled in Information Technology (IT) programs. The downturn in the IT industry had a large adverse impact on outcomes for community and technical college students enrolled in these programs. Twenty-seven percent of Worker Retraining students leaving the colleges during 2001-2002 were enrolled in an IT program.

- Gender Differences in Outcomes

Gender differences in postprogram hours worked, earnings, and wages are significant.

	Women	Men	Ratio
Median Quarterly Hours Worked	429	468	92 percent
Median Annual Earnings	\$19,309	\$24,349	79 percent
Median Hourly Wage	\$11.86	\$13.77	86 percent

Figure 10.
Hourly Wages of Women Relative to Men During the Third Quarter
After Leaving Worker Retraining



- Differences in Outcomes by Disability Status

	Disability	No Disability	Ratio
Postprogram Employment			
Reported in UI Records	53 percent		68 percent
Median Quarterly Hours Worked	429	455	94 percent
Median Annual Earnings	\$17,459	\$21,997	79 percent
Median Hourly Wage	\$11.28	\$12.87	88 percent

- Differences in Outcomes by Race and Ethnicity

Annual earnings are significantly lower for former African American, Native American, and Hispanic Worker Retraining students. Wages are significantly lower among African American and Hispanic students.

Median Postprogram Annual Earnings and Wages (Relative to Whites)

	Earnings	Wages
African American	89 percent	89 percent
Native American	88 percent	
Hispanic	87 percent	87 percent

Workforce Investment Act Title I-B Program for Dislocated Workers

(1) Data

Findings are based on the following sources of data:

- Program records on 3,125 individuals who left the program during the 2001-2002 program year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 1,218 former participants, providing additional information on employment and satisfaction with the program.
- Survey responses from 238 firms that hired new employees who recently completed a Workforce Investment Act (WIA) program. Note that the survey is not specific to dislocated workers; employer responses relate to both the disadvantaged adult and dislocated worker programs.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of WIA Dislocated Workers: Race and Ethnicity

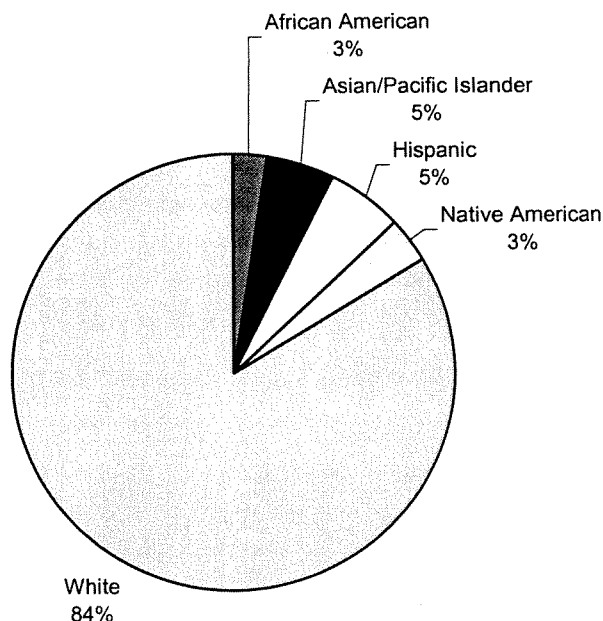


Figure 2.
Percentage of WIA/JTPA Dislocated Workers Who Are People of Color

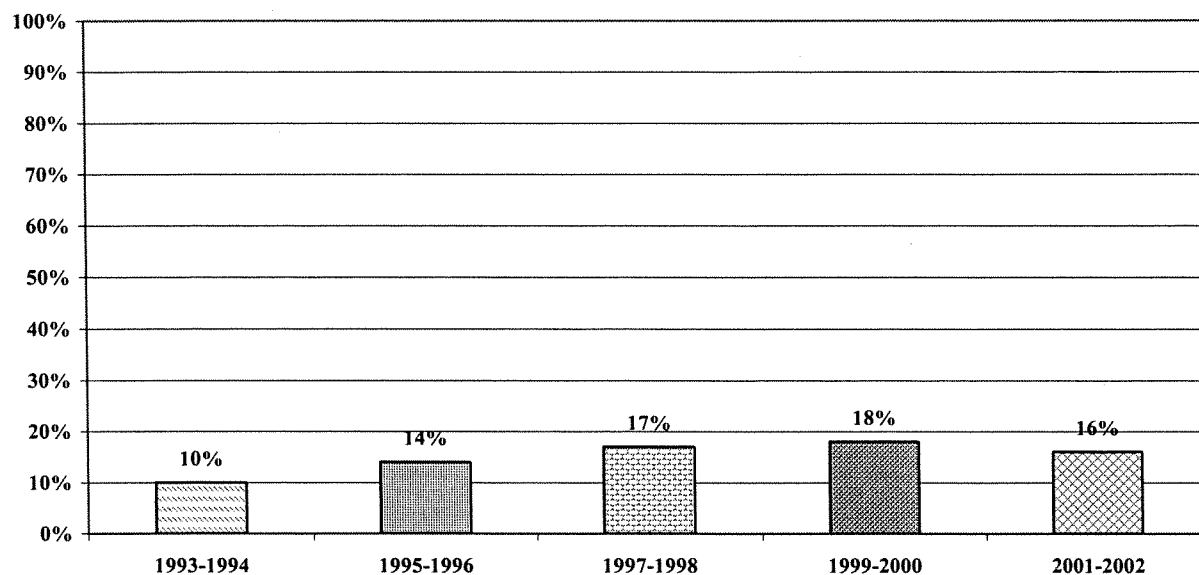
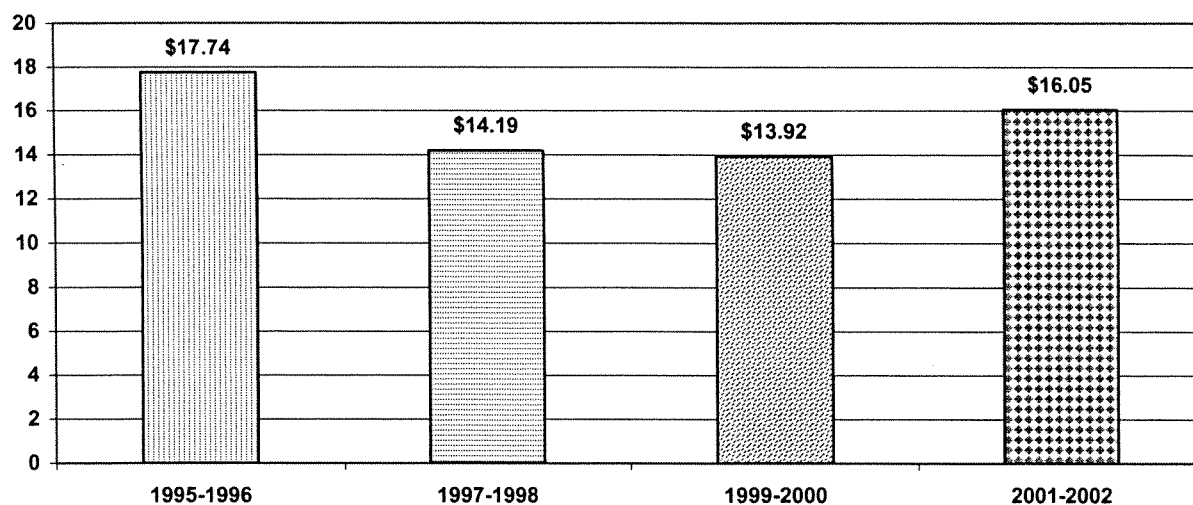


Figure 3.
**Median Hourly Wage 6-9 Months Before Entering
 WIA/JTPA Dislocated Worker Program**



Percent Female	37
Median Age at Entry	42

(3) Competency Gains

Median Program Length	12 months (versus 11 months for the last year of Job Training Partnership Act (JTPA)) ¹
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¹ On July 1, 2000, the Workforce Investment Act replaced JTPA.

Figure 4.
WIA Dislocated Workers Receiving Specific Skills Training

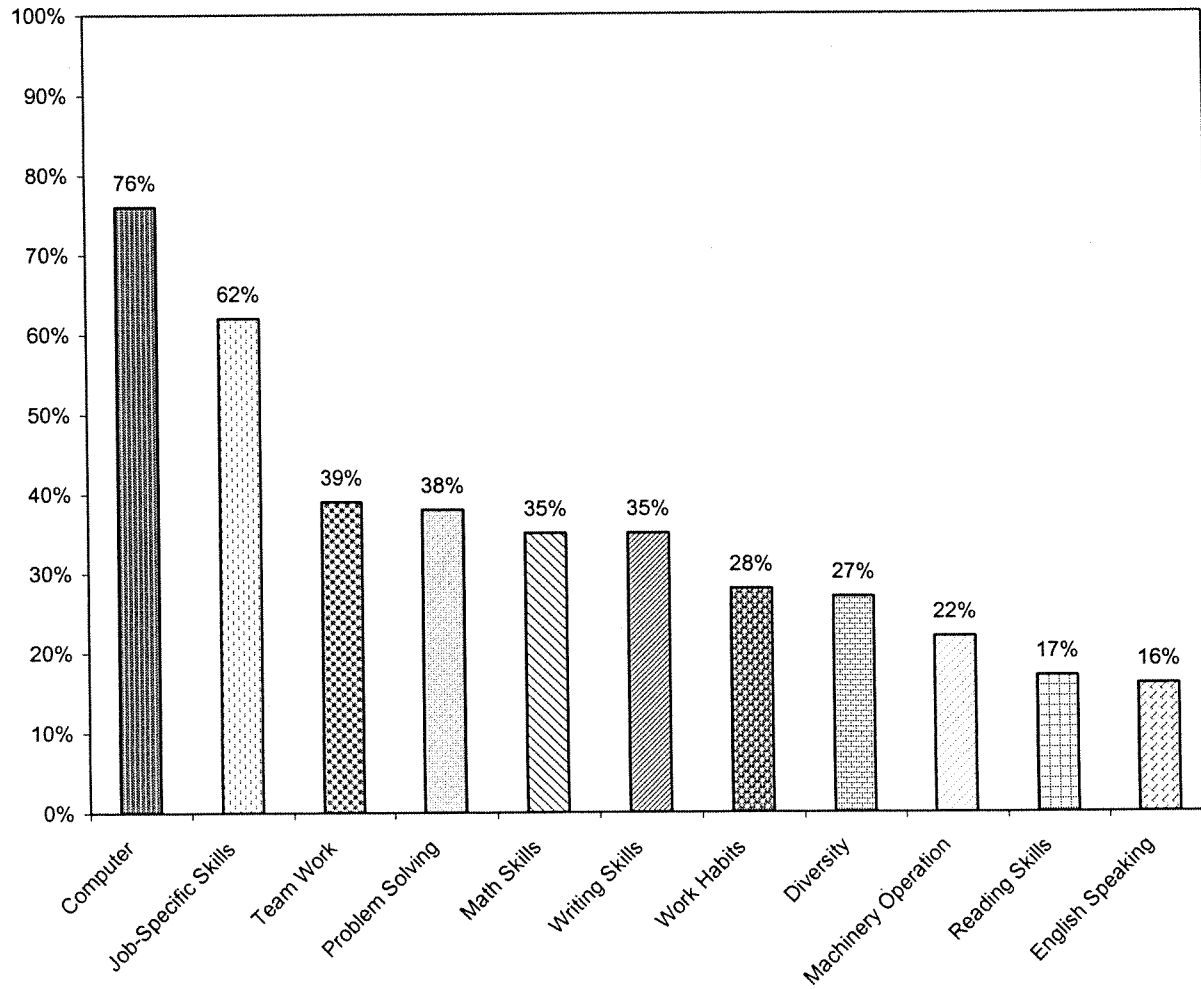


Figure 5.
Percentage of WIA/JTPA Dislocated Workers Receiving Job-Specific Skills Training
Based on Survey Responses

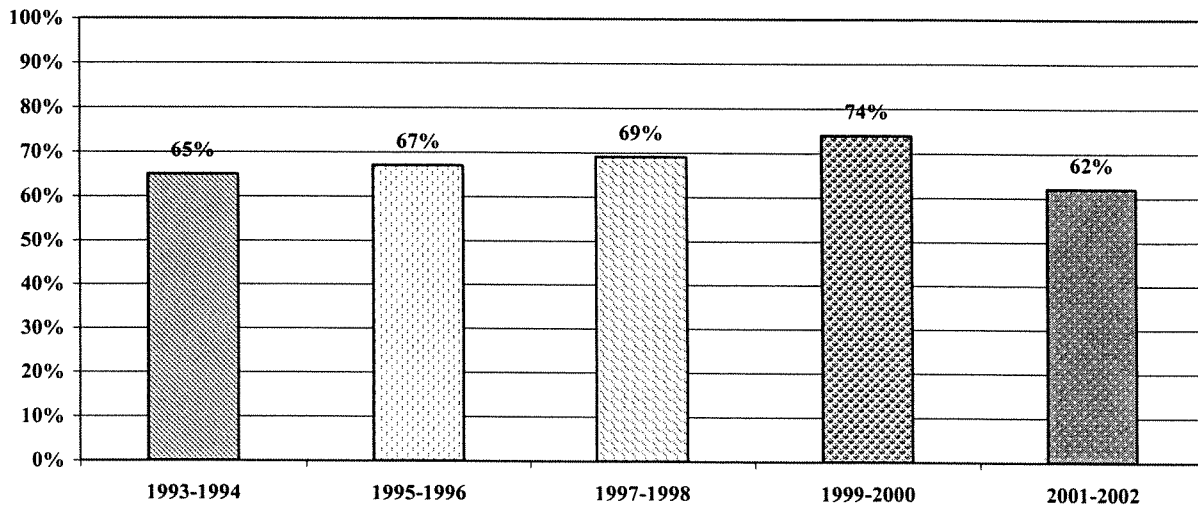


Figure 6.
WIA Dislocated Worker Participants Receiving Specific Skills Training Who Reported Their
Skills Improved a Little or a Lot

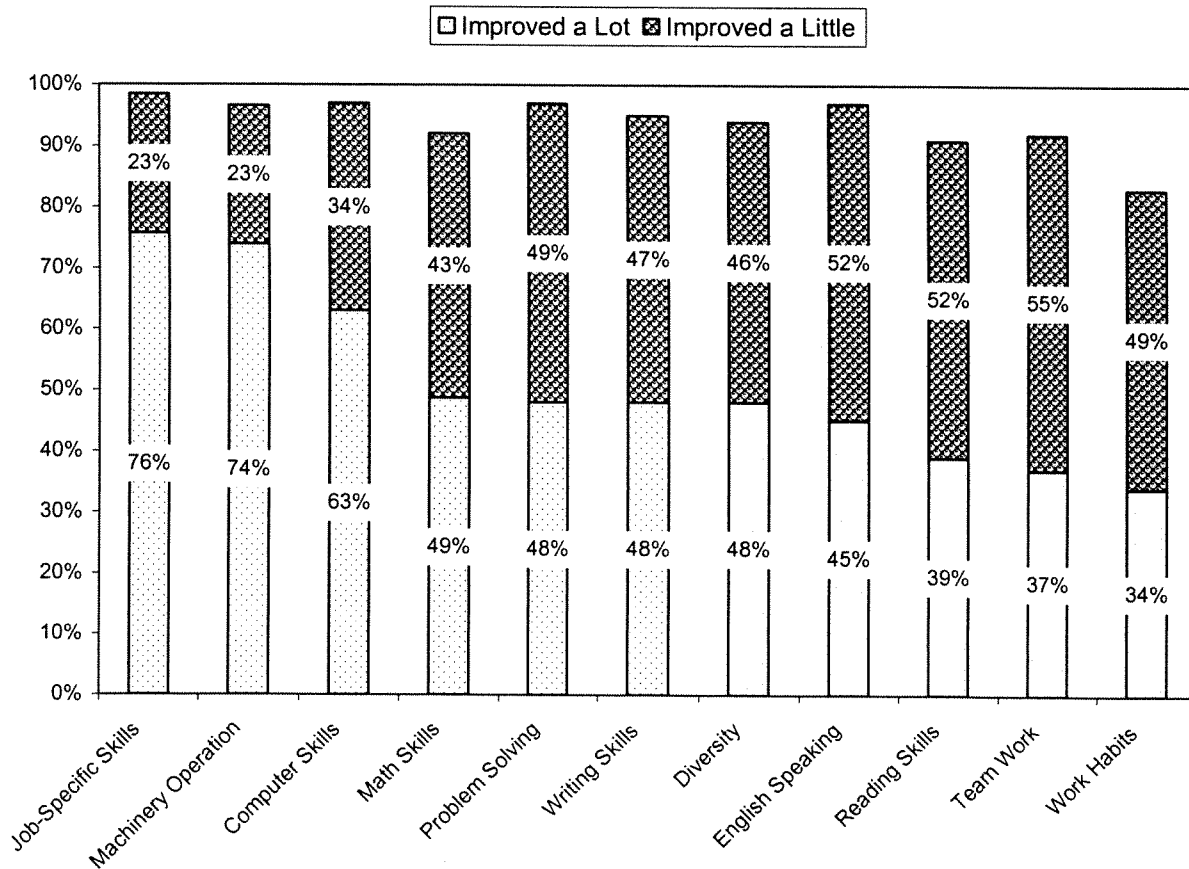


Figure 7.
Percentage of WIA/JTPA Dislocated Workers Who Said
Their Job-Specific Skills Improved a Lot

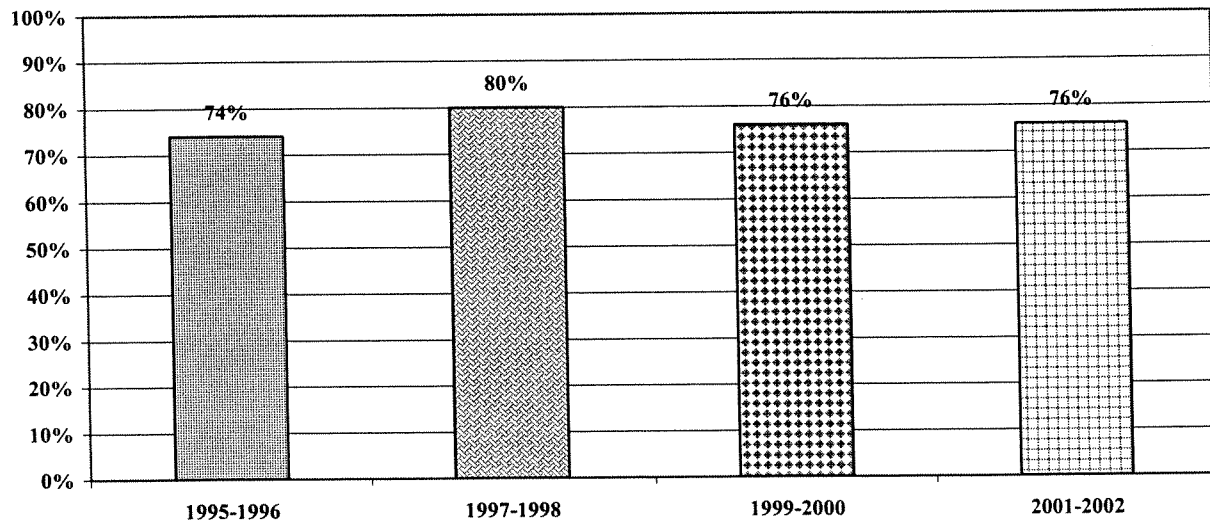
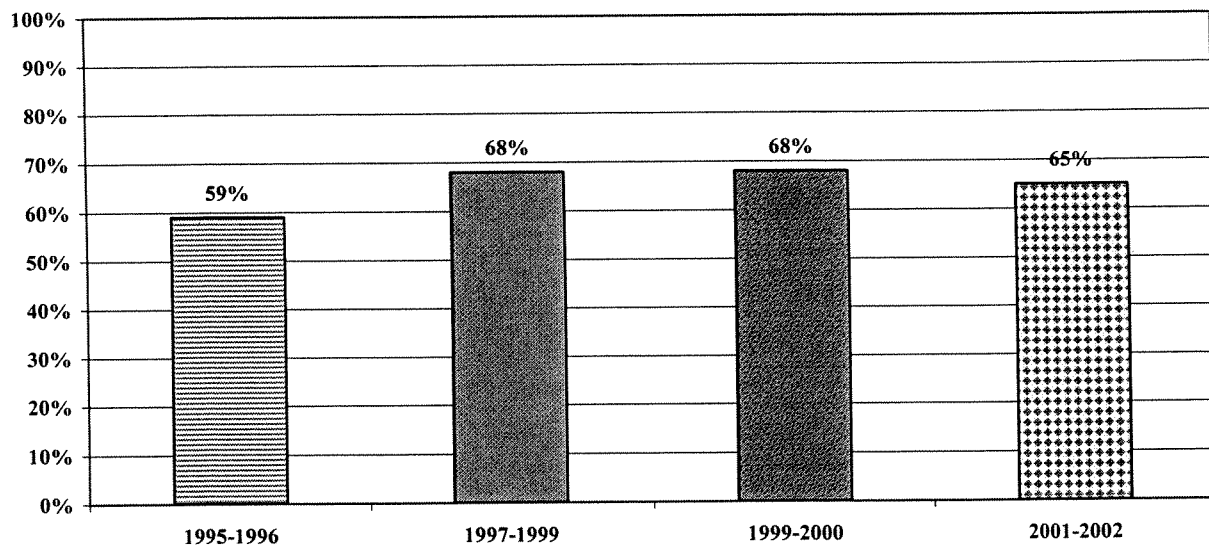


Figure 8.
Percentage of Employed Former WIA/JTPA Dislocated Workers Who Said Training
was Related to Job Held 9 Months After Program



(4) Participant Satisfaction

Percent Reporting Overall
 Satisfaction With Program 86

Percent Reporting Educational
 Objectives Met 83

Figure 9.
Support Service Needs of WIA Dislocated Worker Participants
Among All Participants the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

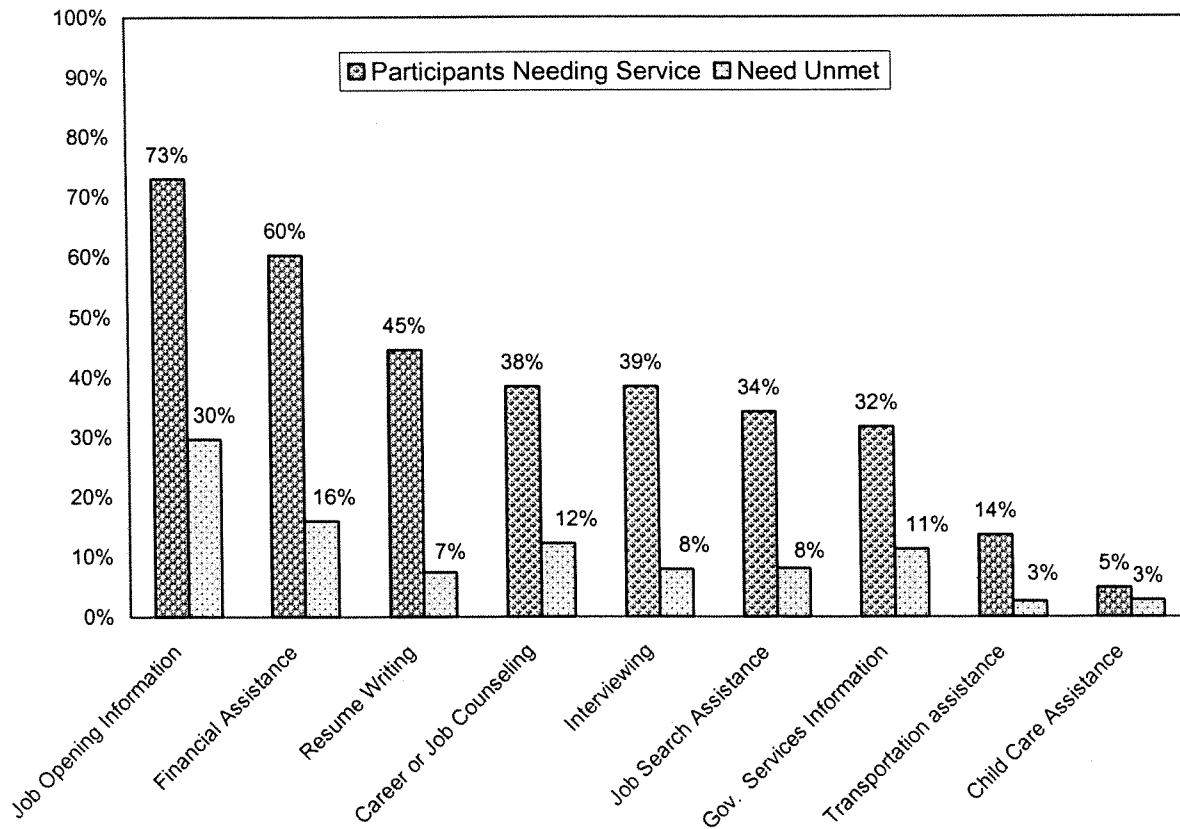
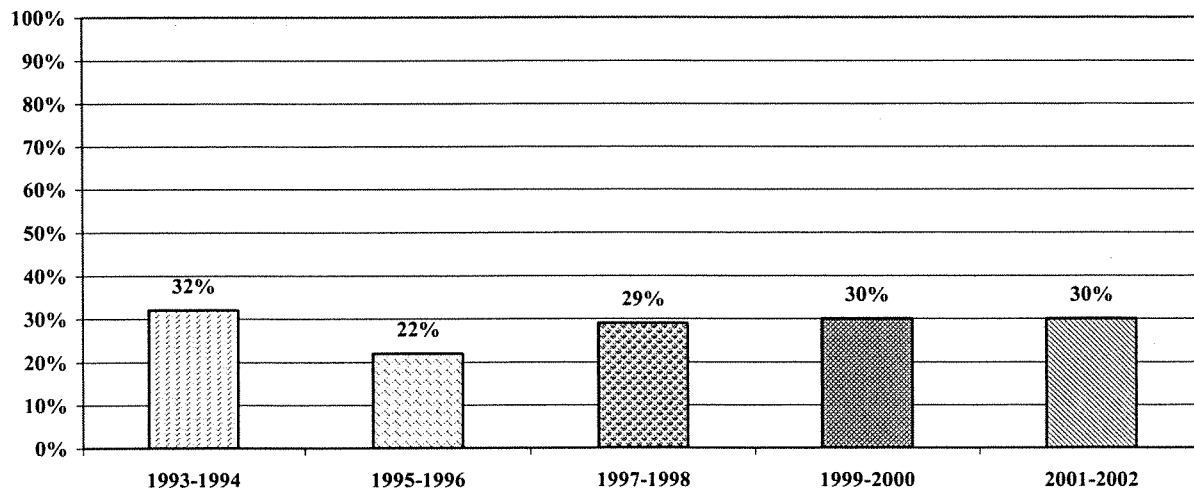
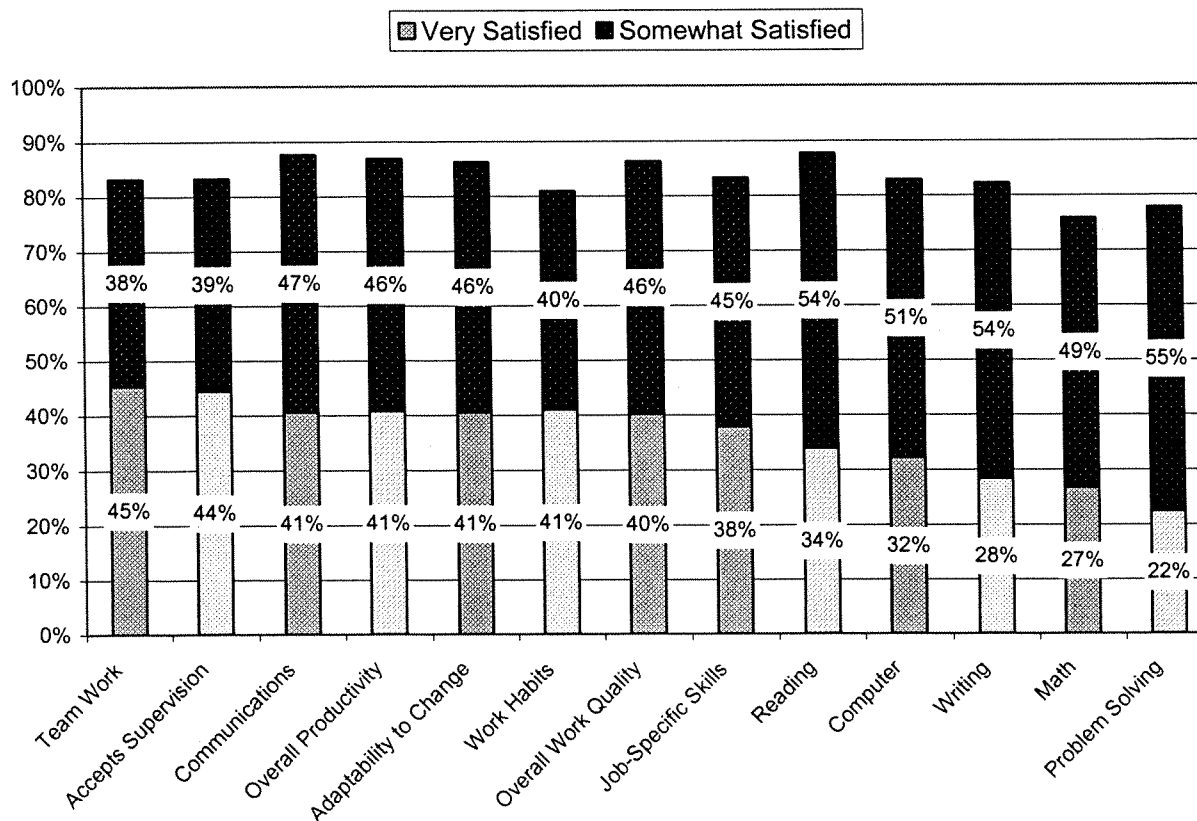


Figure 10.
Percentage of WIA/JTPA Dislocated Workers Who Left Program With
Unmet Needs for Job Opening Information



(5) Employer Satisfaction

Figure 11.
Employer Satisfaction With New Employees Who Had Recently Completed a WIA Program



(6) Employment and Earnings

Figure 12. Employment and Earnings of WIA Dislocated Worker Program Participants in the Third Quarter After Leaving Program

	1995-96*	1997-98*	1999-00*	2001-02
Percentage self-reporting employment during third quarter after leaving program	81%	83%	83%	82%
Percentage with employment reported by employers to ESD the third quarter after leaving	74%	74%	75%	74%
Median quarterly hours worked, of those working	493	484	495	494
Percentage employed full-time of those working (averaging 30 or more hours/week)	75%	67%	70%	74%
Median annualized earnings of those working	\$27,940	\$24,533	\$24,841	\$26,297
Size of household in which median earnings would support at poverty level	7.0	6.0	6.1	6.5
Size of household in which median earnings would support at twice poverty level	2.6	2.0	2.1	2.3
Median hourly wage of those working	\$14.88	\$13.11	\$13.29	\$13.84
Percentage self-reporting receipt of medical benefits from employer	68%	68%	72%	75%
Percentage self-reporting receipt of pension benefits from employer	38%	42%	40%	43%

Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human services for 2003.

*Figures for 1995 through 2000 are for the JTPA III Dislocated Worker Program.

Figure 13. Percentage of WIA/JTPA Dislocated Workers Self-Reporting Employment 6-9 Months After Leaving Program

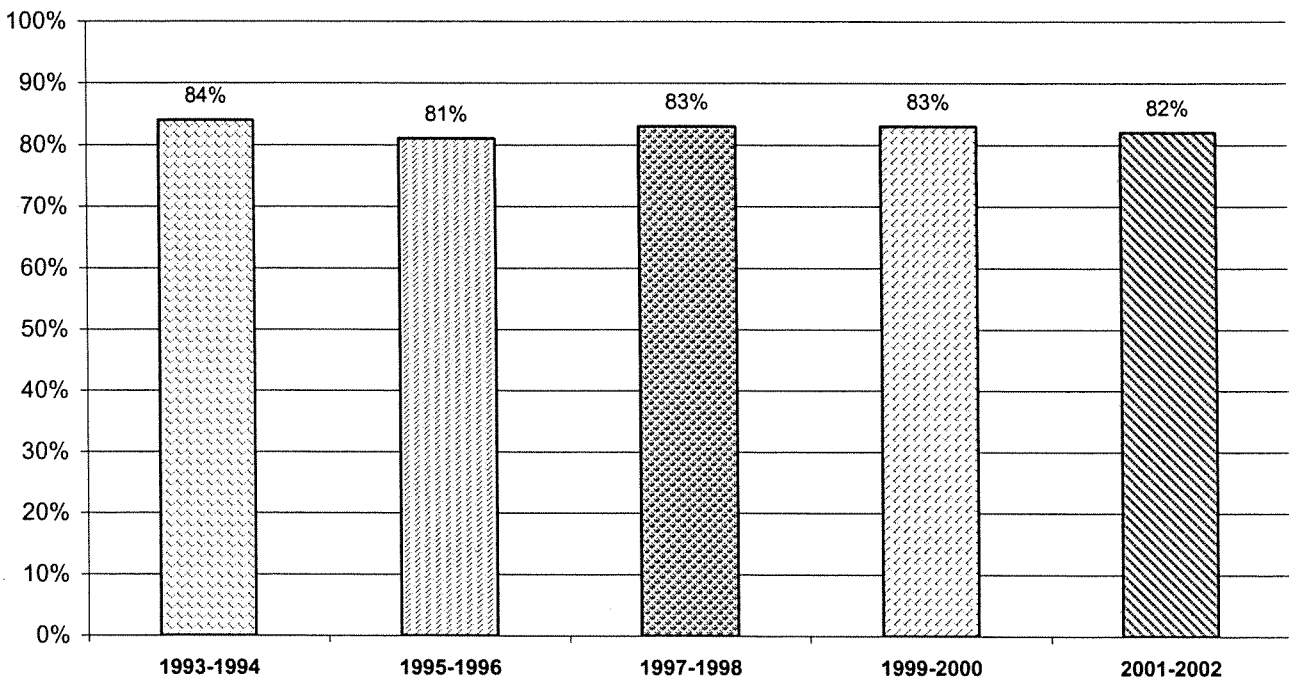


Figure 14. Percentage of WIA/JTPA Dislocated Workers With Employment Reported to Employment Security Department 6-9 Months After Leaving Program

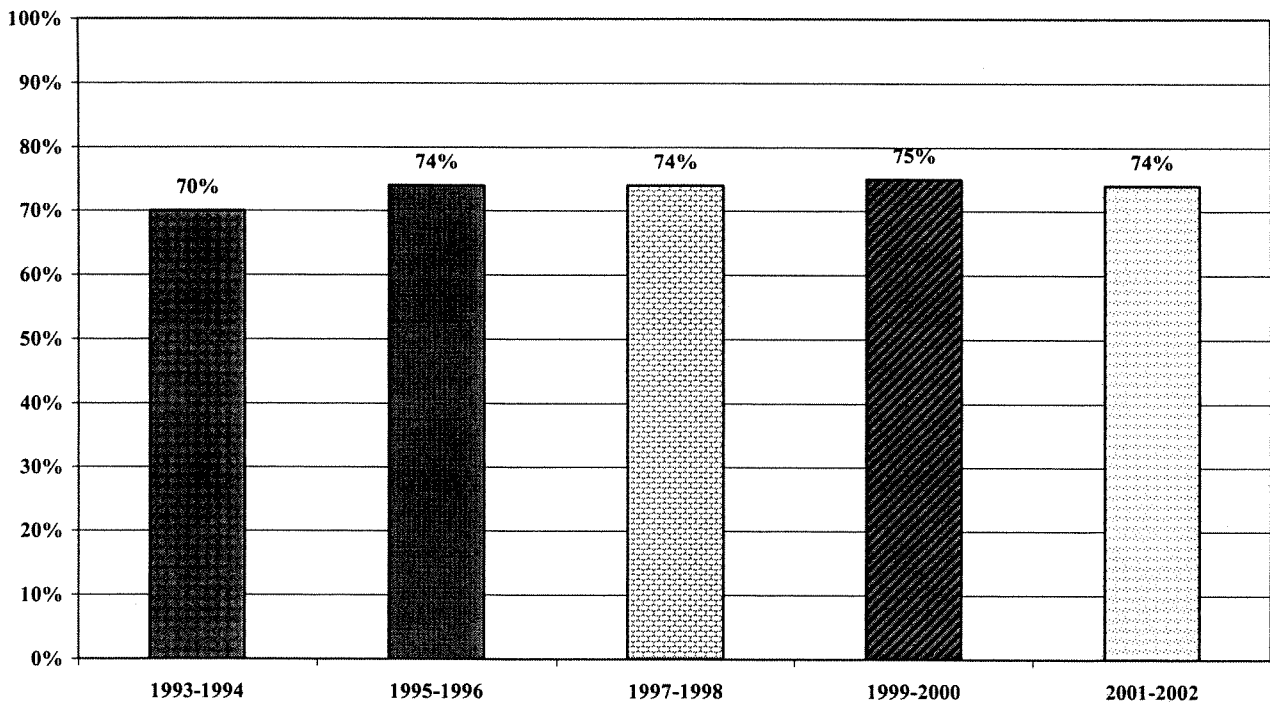


Figure 15.
Median Annualized Earnings of WIA/JTPA Dislocated Workers
6-9 Months After Leaving Program

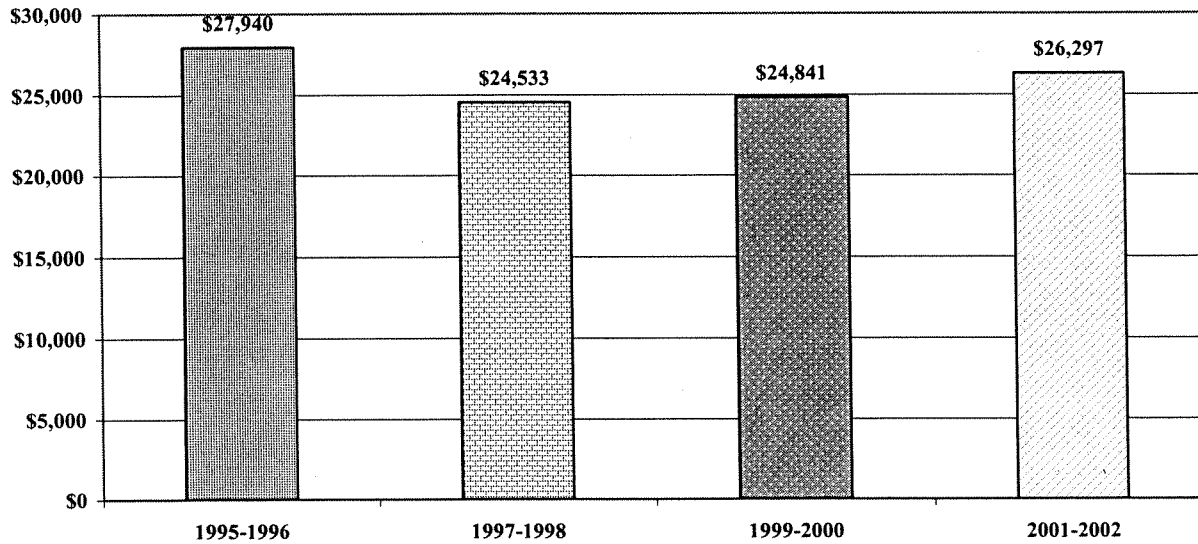
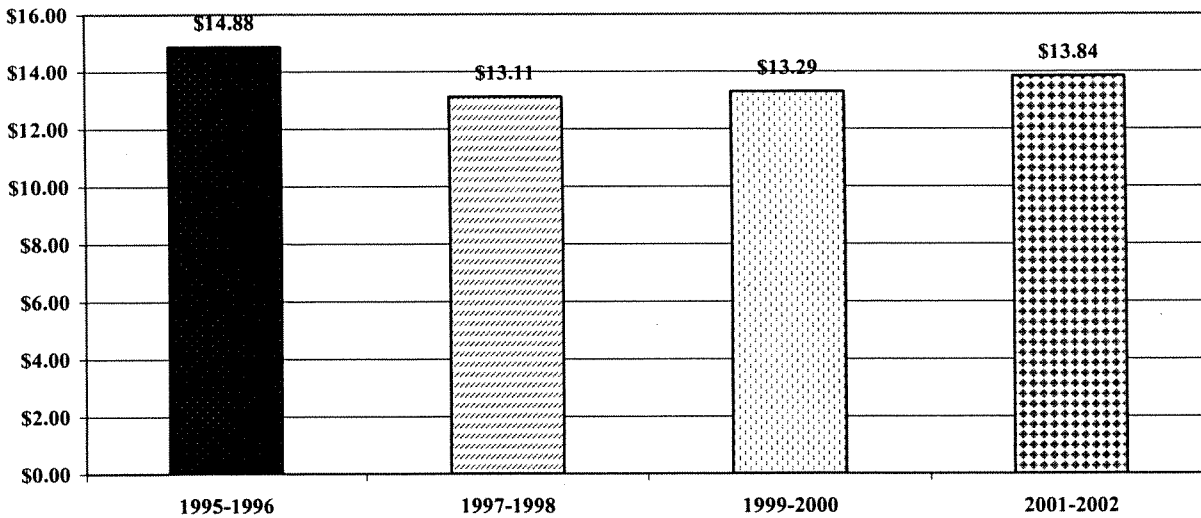


Figure 16.
Median Hourly Wages of WIA/JTPA Dislocated Workers
6-9 Months After Leaving Program



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(7) Other Findings

- **Programmatic, Economic, and Demographic Changes**

Several factors need to be considered when comparing outcomes for program participants over time. WIA replaced JTPA on July 1, 2000. The results through PY 1999-2000 in Figure 6 are for JTPA. Moreover, economic conditions and the demographic characteristics of participants changed between 1999-2000 and 2001-2002.

These changes tended to offset each other in terms of their impacts on postprogram employment and earnings for dislocated workers. However, our regression models for postprogram employment and earnings suggest that outcomes for the 2001-2002 dislocated workers were better than expected, given the weaker economy and changes in demographic characteristics.

- **Administrative Data on Training and Credentials**

Administrative records collected through the SKIES data reporting system provide additional information on training received by WIA dislocated workers. These data suggest that 59 percent of the participants leaving the program during 2001-2002 received occupational skills training. Sixteen percent received an associate degree, 8 percent received an occupational skills license, and 25 percent obtained an occupational skills certificate/credential.

- **Industry of Origin**

Among the participants leaving the program during 2001-2002, 59 percent were employed in manufacturing prior to dislocation, 12 percent had jobs in trade, and another 12 percent were working in the service sector. Relatively few in this cohort had been employed in the aircraft industry. Thirteen percent were employed in aerospace prior to enrollment; only 1 percent returned to aerospace after the program.

- **Wage Replacement**

We compared the wages of dislocated workers during the third quarter prior to program enrollment and the third quarter after leaving the program. The typical (median) wage replacement rate was 90 percent (the mean replacement rate was 94 percent).

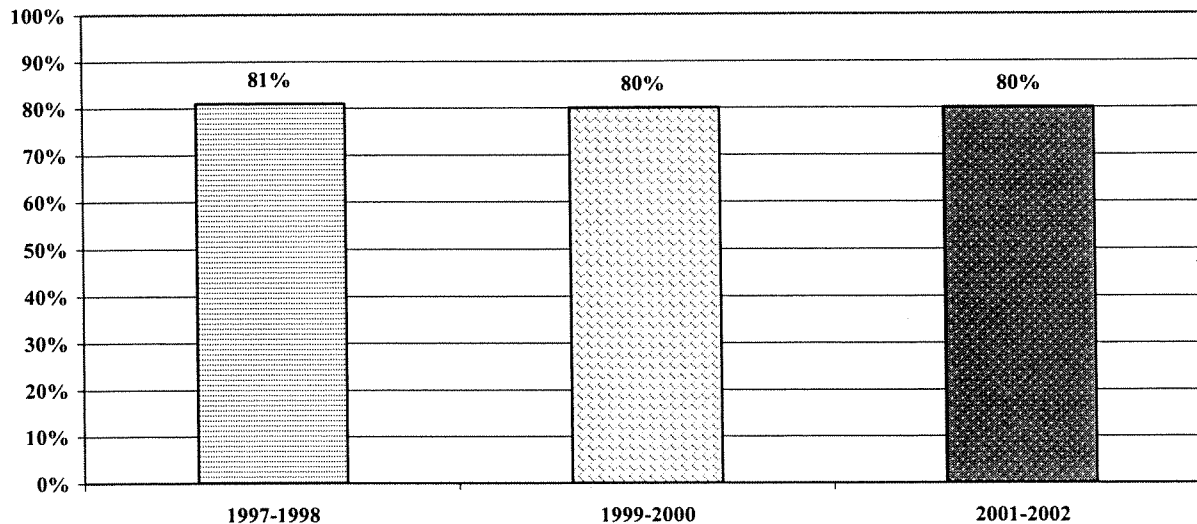
Regression analysis suggests that a workers' age, gender, education, pre-dislocation wage, and industry have significant effects on wage replacement. Prior wages have the strongest impact—the higher the wage prior to dislocation, the more difficult it is to replace those earnings. Industry of dislocation, even after controlling for prior wages and demographic characteristics, do affect replacement rates. Workers leaving the lumber, aluminum, and aircraft industries have an especially difficult time regaining previous earnings levels. Replacement rates tend to be higher among those leaving jobs in business services and other services.

- **Gender Differences in Outcomes**

Gender differences in postprogram hours worked, earnings, and wages are significant.

	Women	Men	Ratio
Median Quarterly Hours Worked	480	507	95 percent
Median Annual Earnings	\$22,444	\$29,511	76 percent
Median Hourly Wage	\$12.04	\$15.01	80 percent

Figure 17.
Hourly Wages of Women Relative to Men During Third Quarter
After Leaving WIA/JTPA Dislocated Worker Program



- Differences in Outcomes by Disability Status

Among the WIA dislocated workers leaving the program during 2001-2002, 8 percent reported having a disability. Median postprogram earnings were lower for these participants; their wages were not significantly lower.

	Disability	No Disability	Ratio
Median Annual Earnings	\$24,791	\$26,420	94 percent
Median Hourly Wage	\$13.60	\$13.86	98 percent

- Differences in Outcomes by Race and Ethnicity

Hispanics leaving the program during 2001-2002 had significantly lower earnings and wages than did whites.

	Hispanics	Whites	Ratio
Median Annual Earnings	\$21,537	\$26,878	80 percent
Median Hourly Wage	\$12.09	\$13.99	86 percent

Workforce Investment Act Title I-B Program for Adults

(1) Data

Findings are based on the following sources of data:

- Program records on 2,436 adults who left the program during the 2001-2002 program year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 734 former participants, providing additional information on employment and satisfaction with the program.
- Survey responses from 238 firms that hired new employees who recently completed a Workforce Investment Act (WIA) program.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of WIA Adult Participants:
Race and Ethnicity

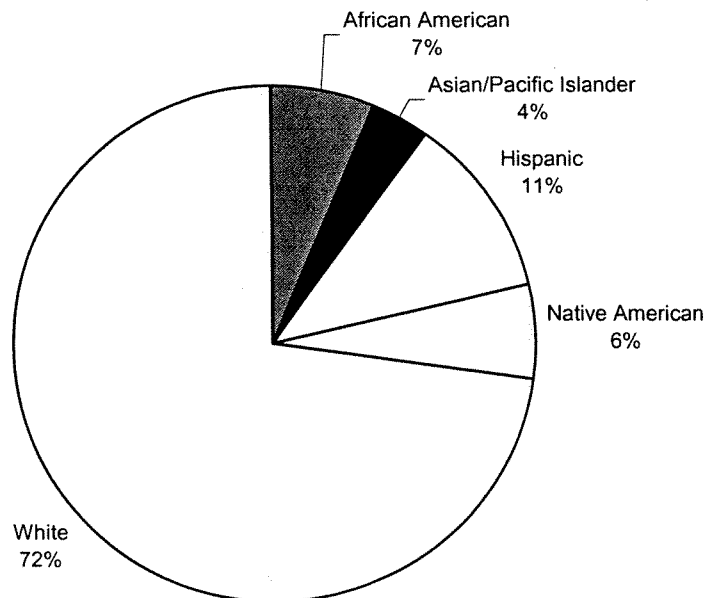


Figure 2.
Percentage of WIA/JTPA Adults Who Are People of Color

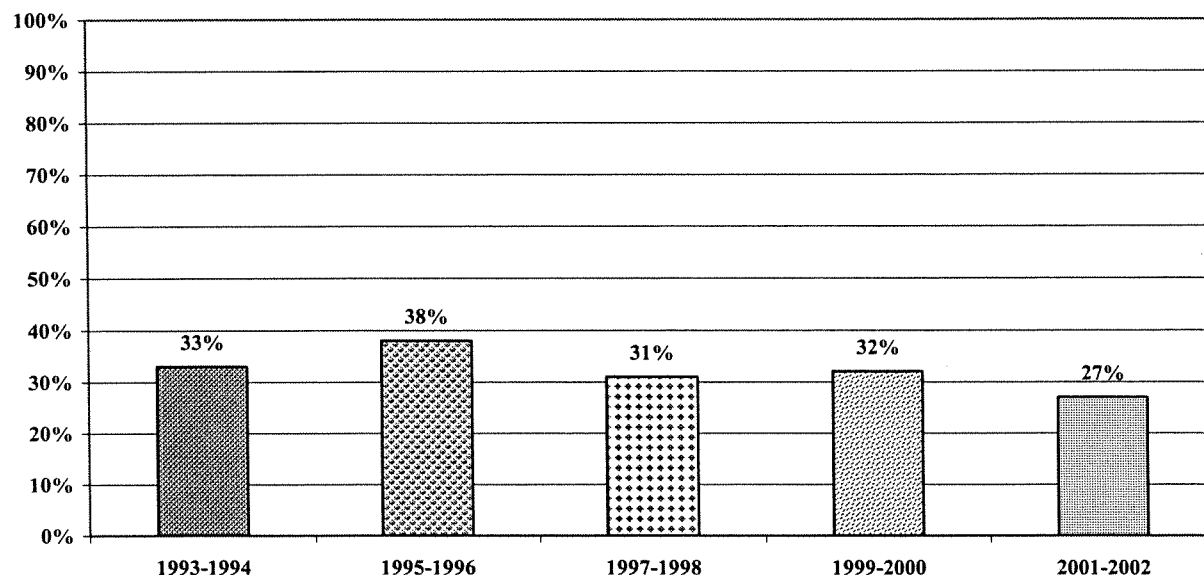
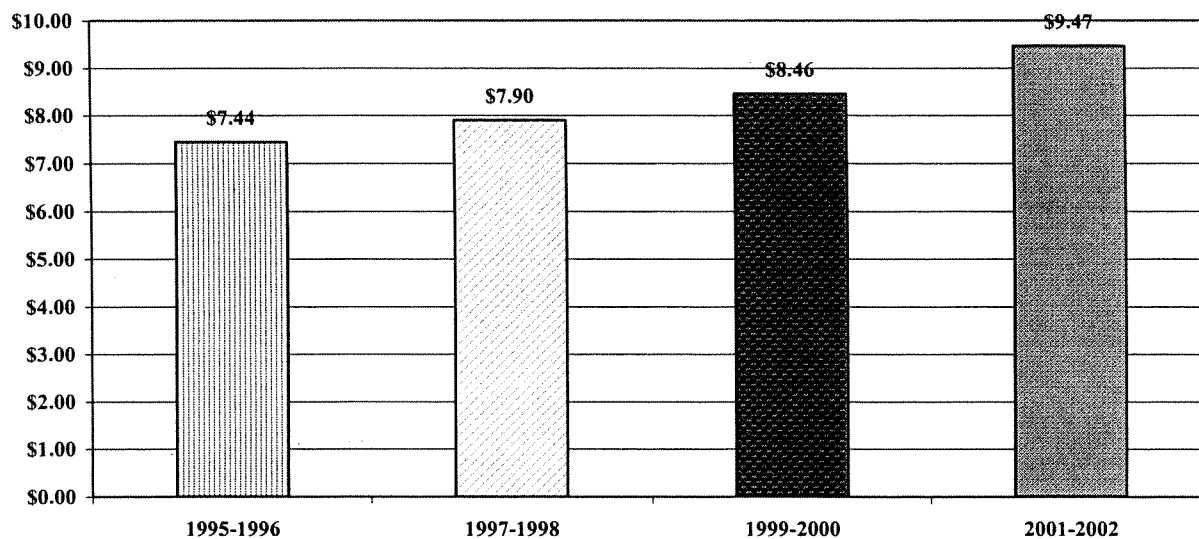


Figure 3.
Median Hourly Wages of WIA/JTPA Adults
6-9 Months Before Entering Program



Percent Female

59

(3) Competency Gains

Median Program Length

9 months (versus 5 months for the last year of Job Training Partnership Act (JTPA))¹

¹ On July 1, 2000, the Workforce Investment Act replaced JTPA.

Figure 4.
WIA Adult Participants Receiving Various Types of Training
(Among Those Receiving Any Training)

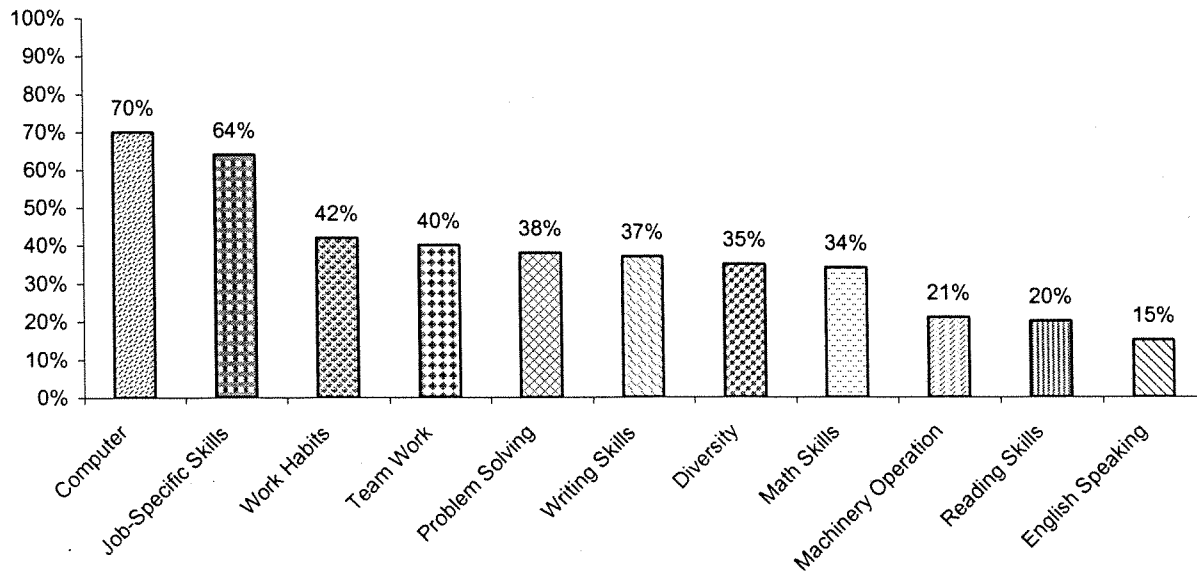


Figure 5.
Percentage of WIA/JTPA Adults Who Received Job-Specific Skills Training
Based on Survey Responses

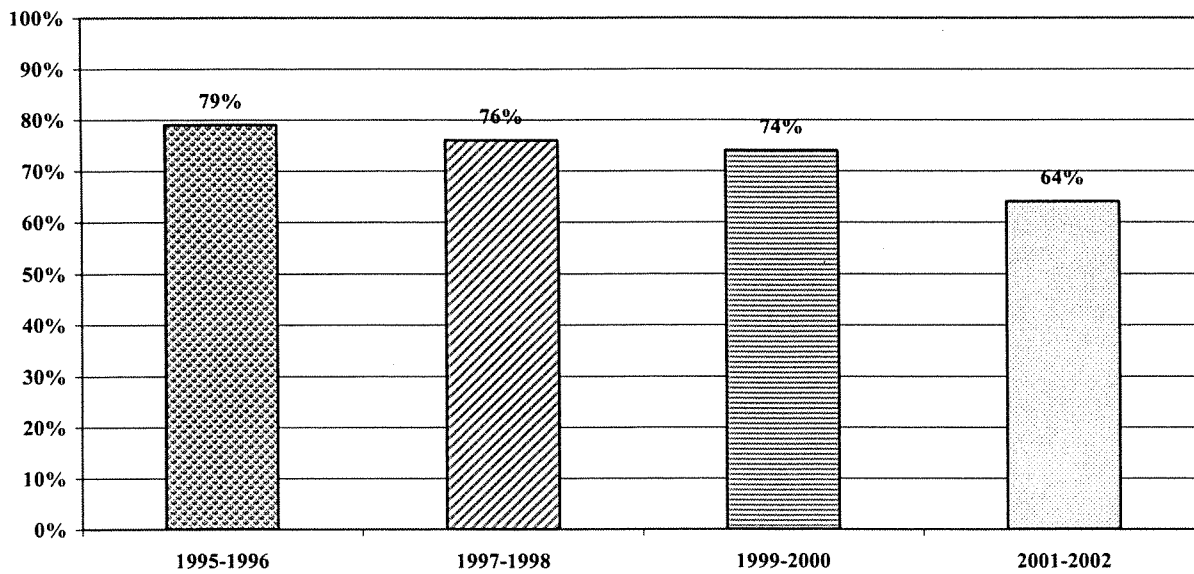


Figure 6.
WIA Adult Participants Receiving Specific Skills Training Who Reported Their Skills Improved a Little or a Lot

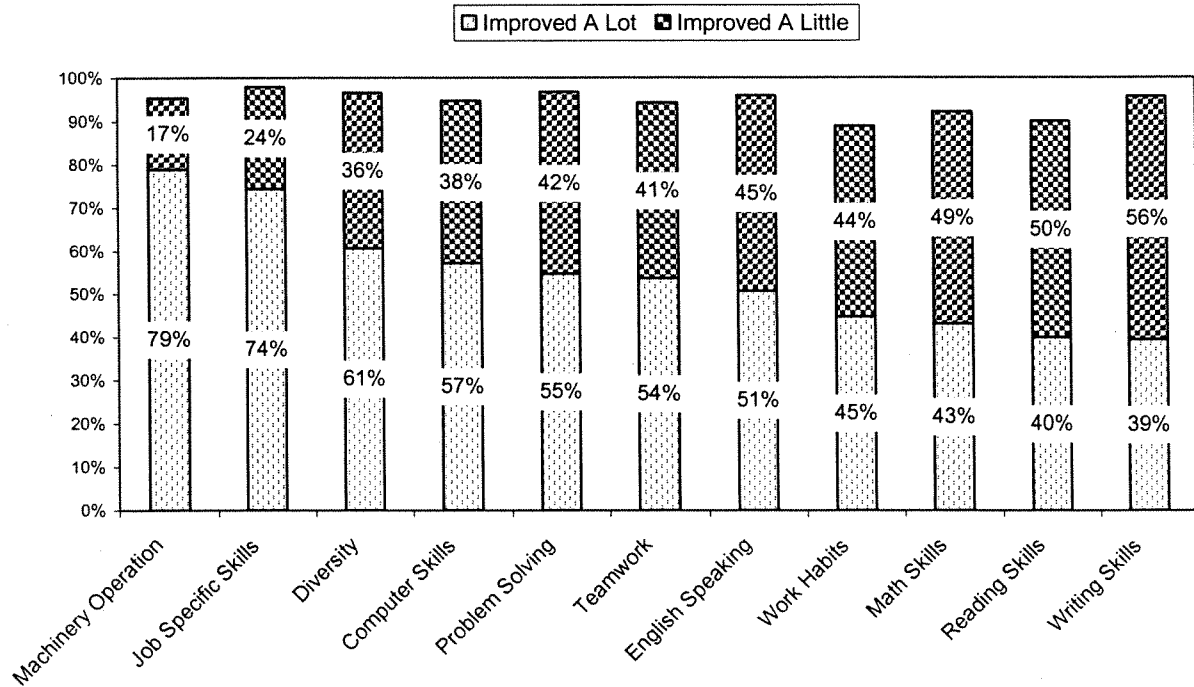


Figure 7.
Percentage of WIA/JTPA Adults Who Said Their Job-Specific Skills Improved a Lot

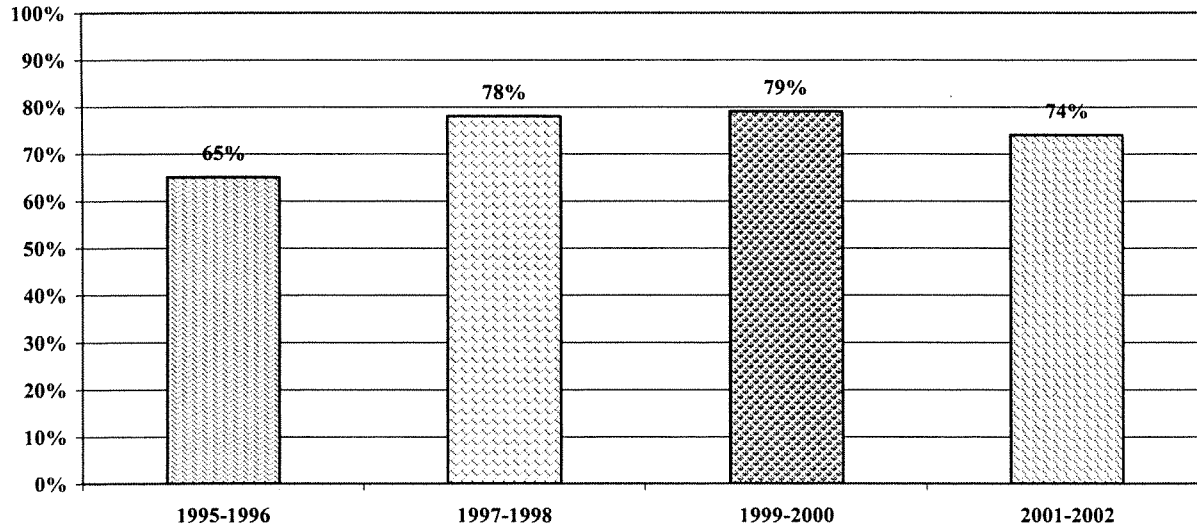
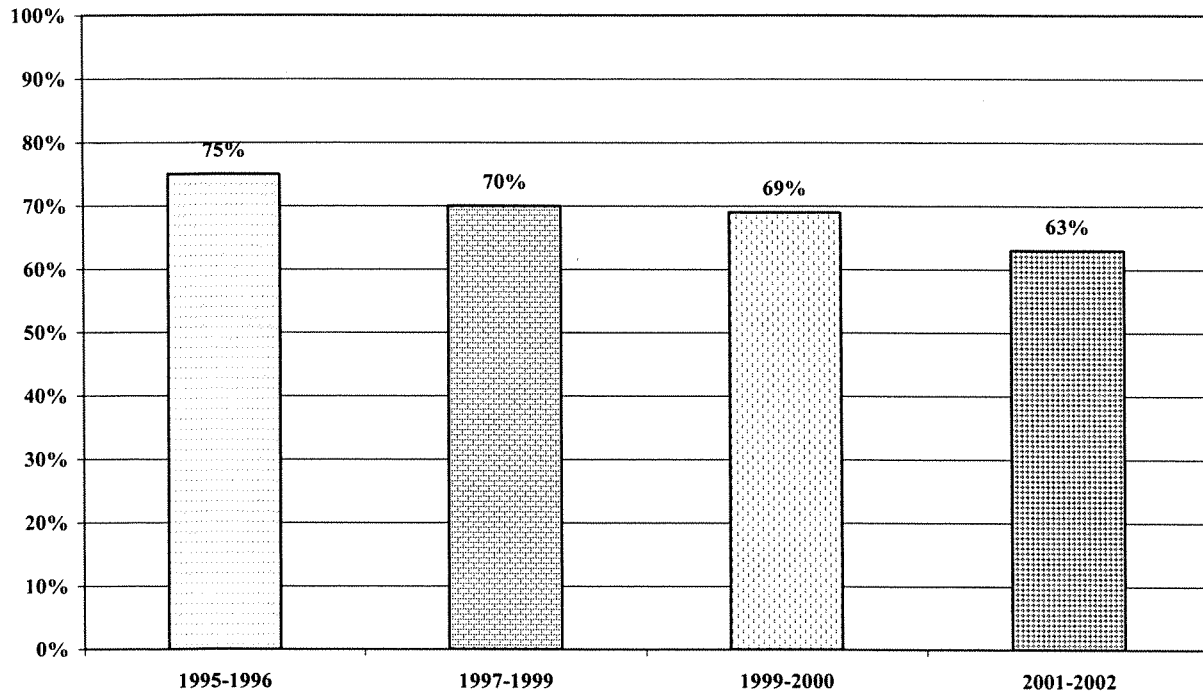


Figure 8.
Percentage of Employed Former WIA/JTPA Adults Who Said Training was Related to Job Held 9
Months After Leaving Program



(4) Participant Satisfaction

Percent Reporting Overall Satisfaction With Program	87
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Percent Reporting Educational Objectives Met	84
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Figure 9.
Support Service Needs of WIA Adult Participants
Among All Participants the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

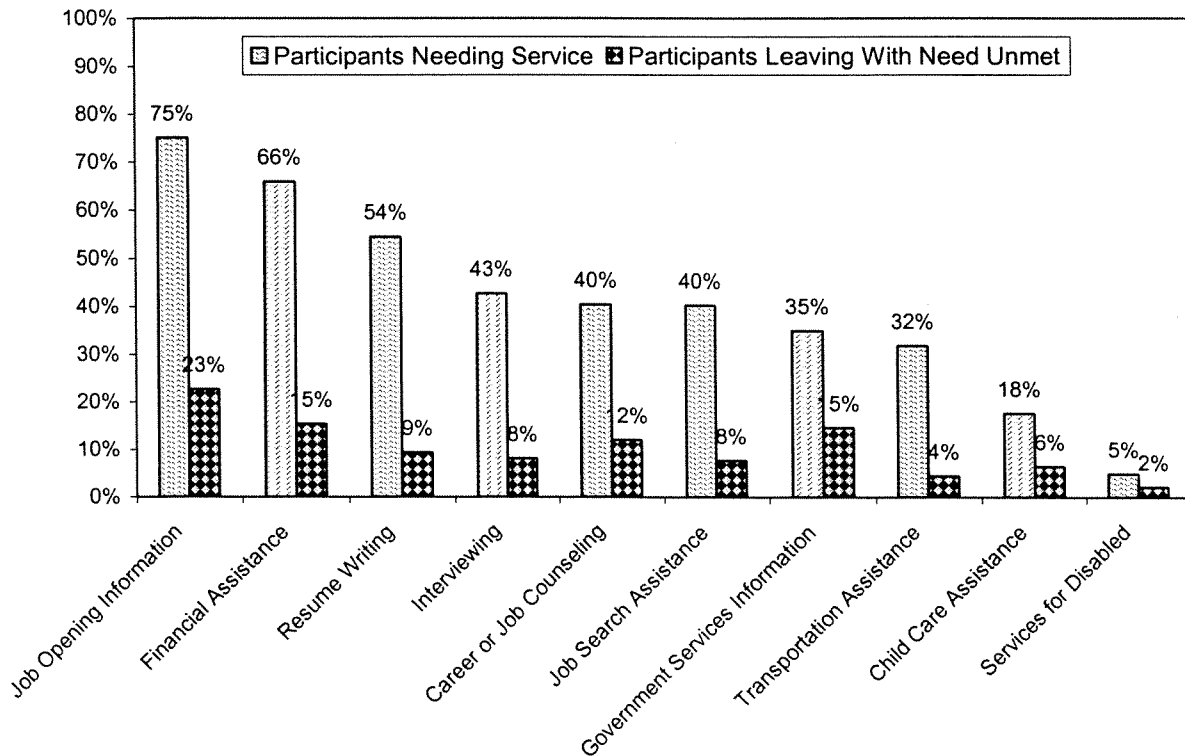
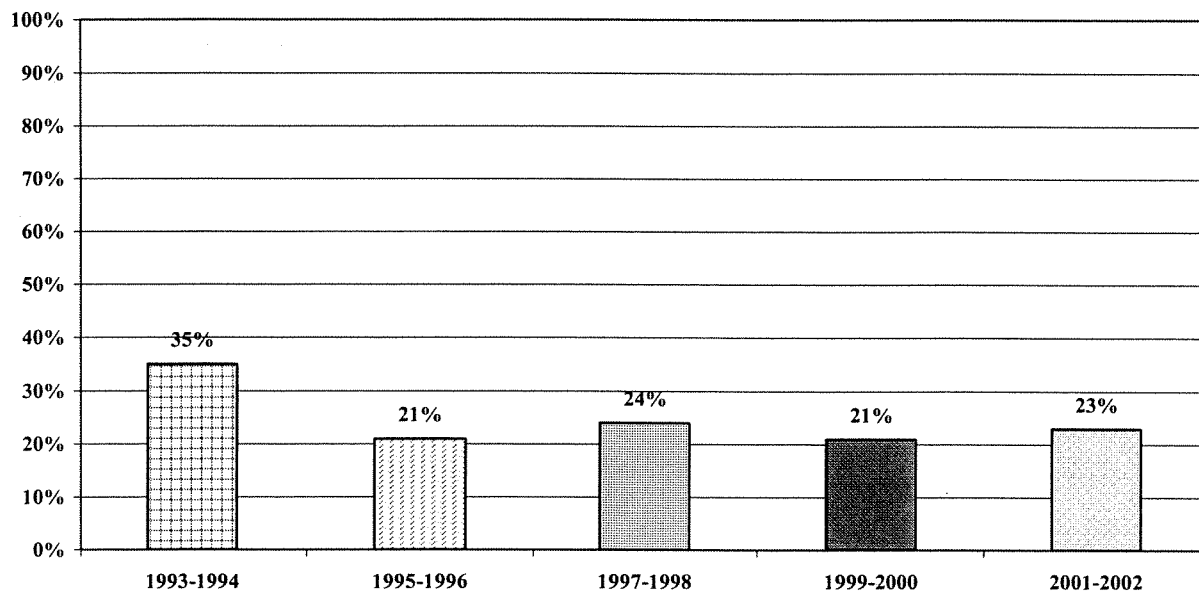
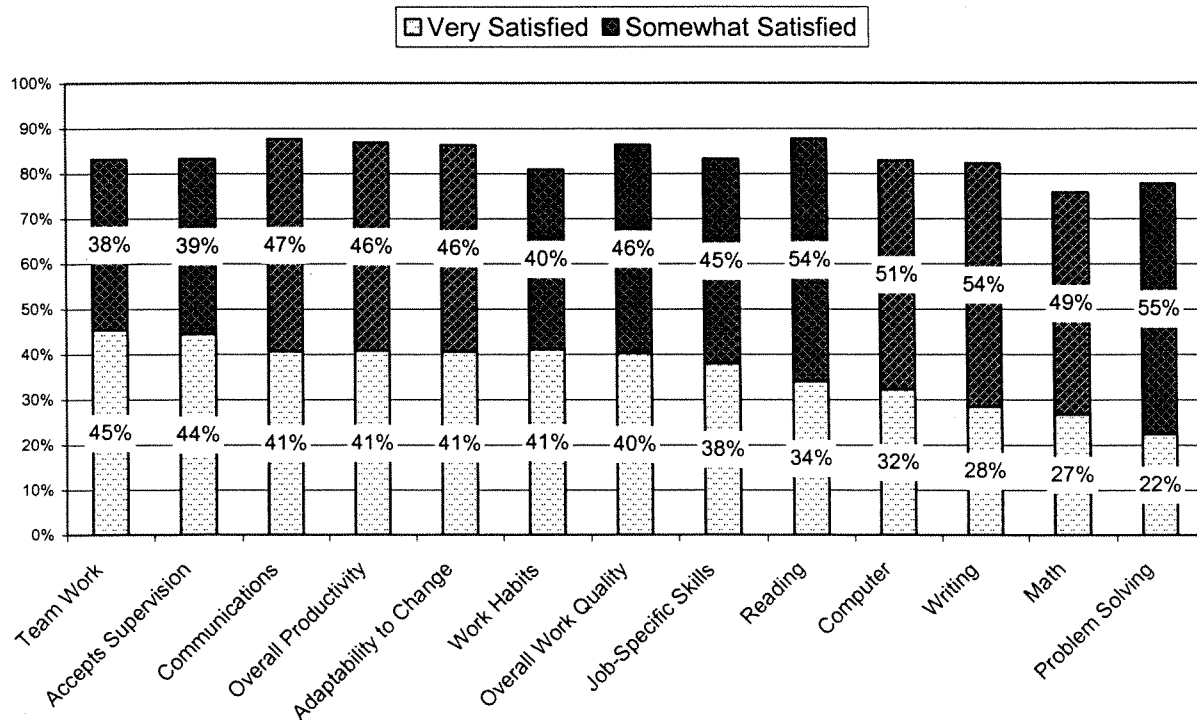


Figure 10.
Percentage of WIA/JTPA Adults Leaving Program With
Unmet Need for Job Opening Information



(5) Employer Satisfaction

Figure 11.
Employer Satisfaction With New Employees Who Had Recently
Completed a WIA Program



(6) Employment and Earnings

Figure 12. Employment and Earnings of WIA Adult Participants in the Third Quarter After Leaving Program

	1995-96*	1997-98*	1999-00*	2001-02
Percentage self-reporting employment during third quarter after leaving program	81%	79%	83%	81%
Percentage with employment reported by employers to ESD the third quarter after leaving program	61%	71%	67%	66%
Median quarterly hours worked, of those working	397	429	424	430
Percentage employed full-time of those working (averaging 30 or more hours/week)	51%	54%	53%	57%
Median annualized earnings of those working	\$13,016	\$15,828	\$16,017	\$16,937
Size of household in which median earnings would support at poverty level	2.3	3.2	3.2	3.5
Size of household in which median earnings would support at twice poverty level	0.7	0.9	0.9	0.9
Median hourly wage of those working	\$8.52	\$9.54	\$10.03	\$10.35
Percentage self-reporting receipt of medical benefits from employer	51%	53%	65%	59%
Percentage self-reporting receipt of pension benefits from employer	23%	29%	31%	34%

Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003.

*Figures from 1995 through 2000 are for the JTPA II-A Adult Program.

Figure 13. Percentage of WIA/JTPA Adults Self-Reporting Employment 6-9 Months After Leaving Program

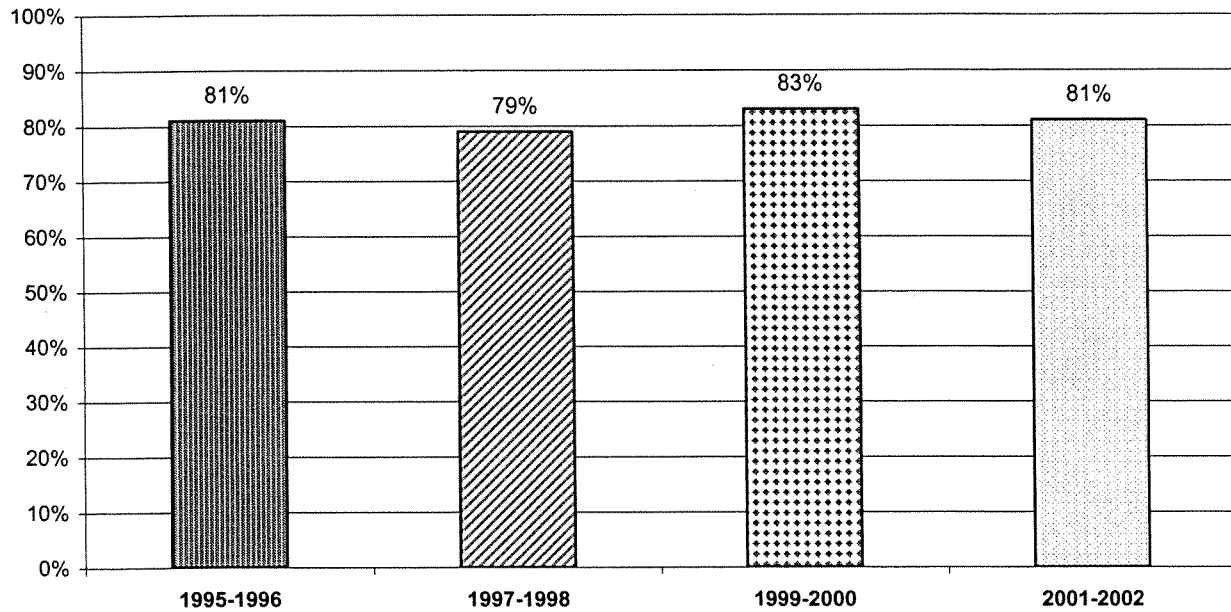


Figure 14. Percentage of WIA/JTPA adults with employment reported to Employment Security Department 6-9 months after leaving program

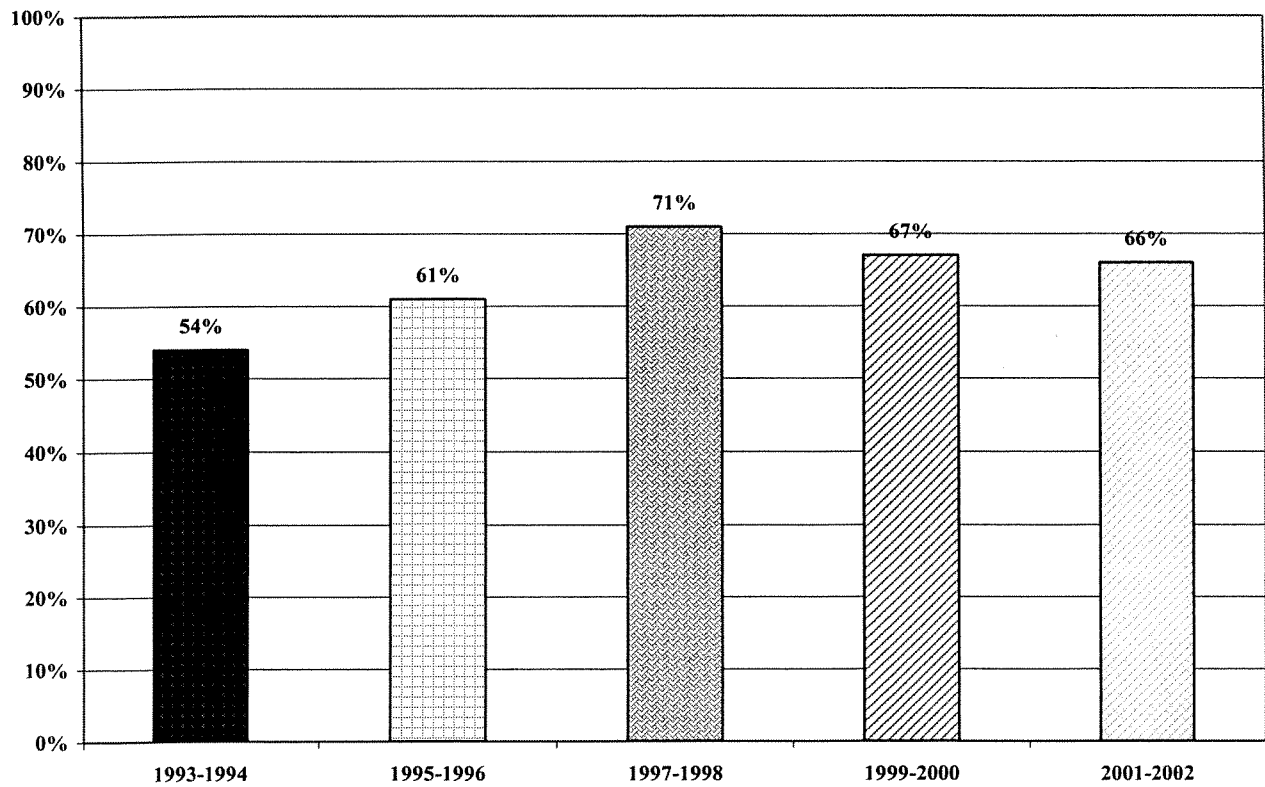


Figure 15.
Median Annualized Earnings of WIA/JTPA Adults
6-9 Months After Leaving Program

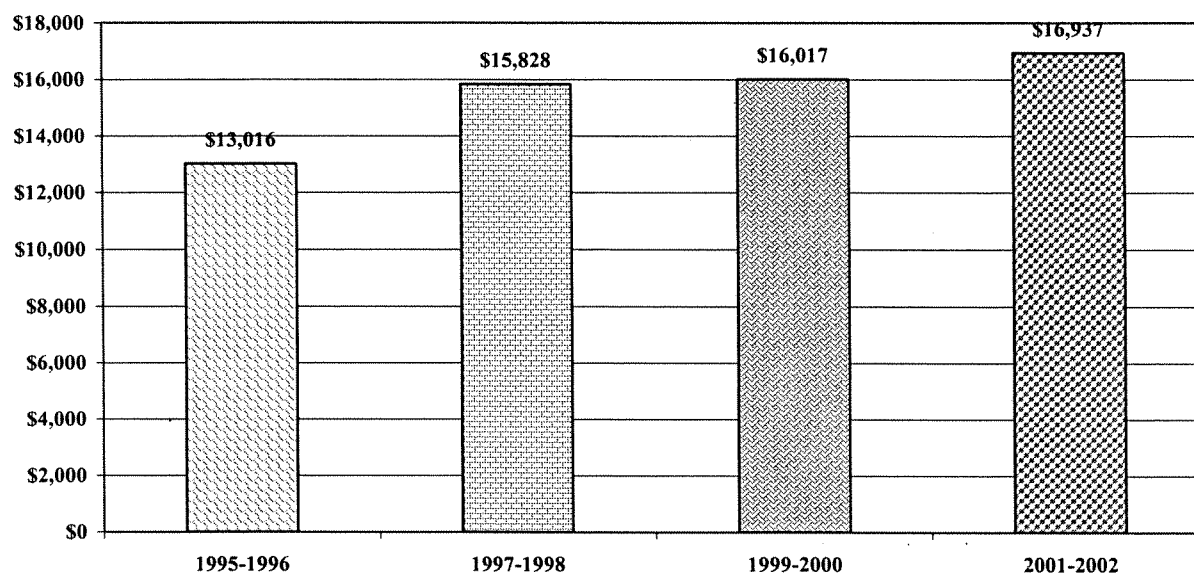
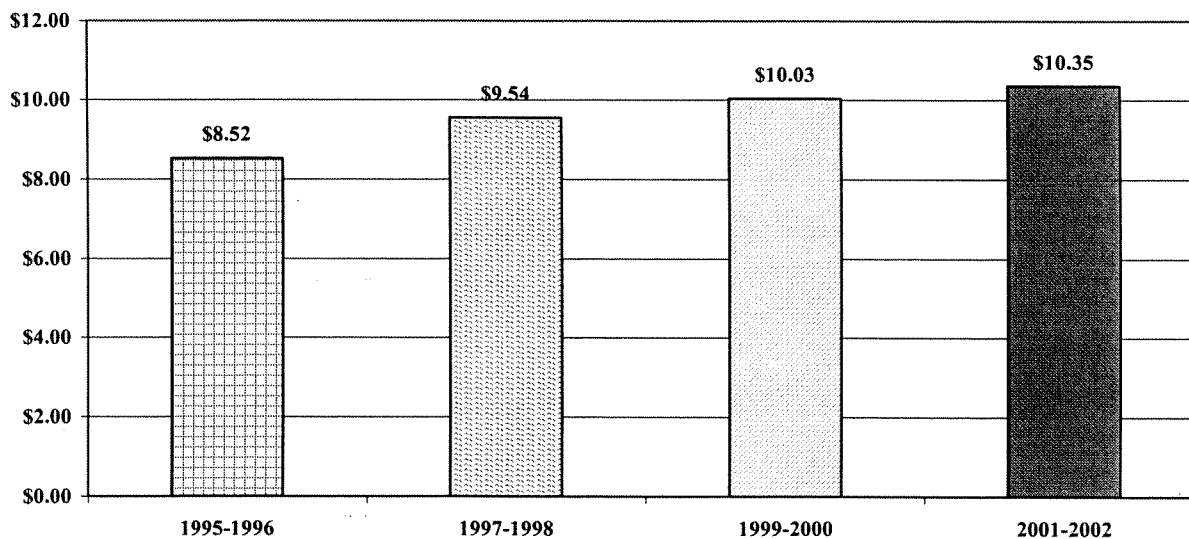


Figure 16.
Median Hourly Wages of WIA/JTPA Adults
6-9 Months After Leaving Program



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(7) Other Findings

- **Programmatic, Economic, and Demographic Changes**

Several factors need to be considered when comparing outcomes for program participants over time. WIA replaced JTPA on July 1, 2000. The results through PY 1999-2000 in Figure 6 are for JTPA. Moreover, economic conditions and the demographic characteristics of participants have changed between 1999-2000 and 2001-2002. Our WIA regression models suggest that these changes acted to offset each other in terms of their impacts on postprogram employment and earnings. Labor market conditions were weaker for those leaving WIA during 2001-2002 than for those leaving JTPA in 1999-2000. However, the WIA participants tended to have more labor market experience and higher preprogram earnings than did the earlier JTPA participants. This is due to changes in program eligibility criteria and welfare reform.

- **Administrative Data on Training and Credentials**

Administrative records collected through the SKIES data reporting system provide additional information on training received by WIA participants. These data suggest that 46 percent of the WIA adults leaving programs during 2001-2002 received occupational skills training as part of their training. Fifteen percent received on-the-job training.

Among those leaving the program during 2001-2002, 8 percent received an associate degree, 9 percent received occupational skills licenses, and 28 percent obtained an occupational skills certificate/credential.

We examined the impact of receiving these credentials on postprogram wages. Postprogram wages were regressed on a long list of demographic factors², prior education, preprogram employment status, and receipt of the various credentials. Controlling for these other factors, receipt of an occupational license had a significant impact on wages (adding about \$1.80 per hour). Receipt of an occupational skills certificate was associated with higher wages, but the impact was not statistically significant. Obtaining an associates degree had a large and significant impact on postprogram wages (adding about \$3.30 per hour).

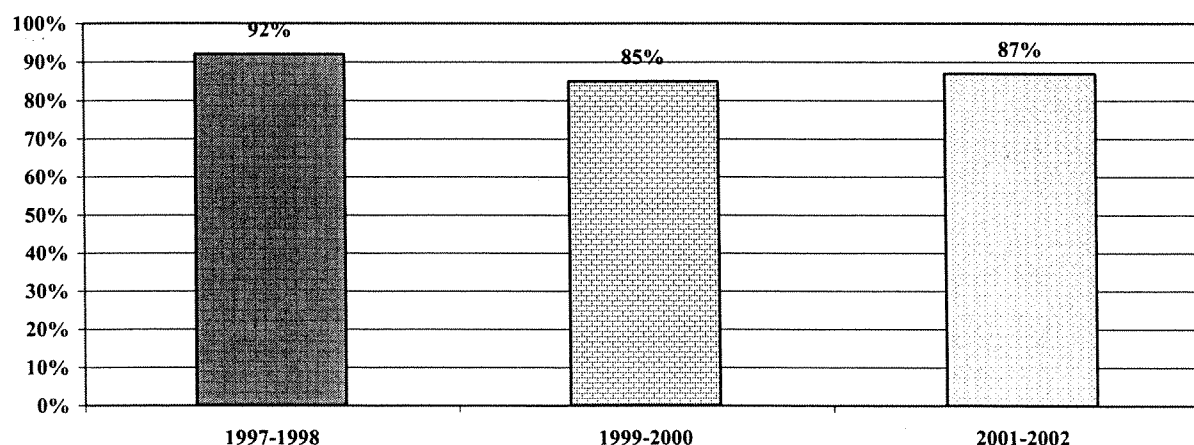
- **Gender Differences in Outcomes**

Gender differences in postprogram earnings and wages are significant. Gender differences in hours worked for this group were not significant.

	Women	Men	Ratio
Median Annual Earnings	\$15,937	\$18,988	84 percent
Median Hourly Wage	\$9.87	\$11.29	87 percent

² These factors include age, gender, race, disability status, veteran status, limited English proficiency, and receipt of public assistance at program registration.

Figure 17.
Hourly Wages of Women Relative to Men During Third Quarter After Leaving
WIA/JTPA Adult Program



- Differences in Outcomes by Disability Status

Among the WIA Adult participants leaving the program during 2001-2002, 19 percent reported having a disability. Median postprogram earnings were lower for these participants.

	Disability	No Disability	Ratio
Median Annual Earnings	\$15,821	\$17,181	92 percent
Median Hourly Wage	\$10.13	\$10.44	97 percent

- Differences in Outcomes by Race and Ethnicity

The variation in labor market outcomes by race and ethnicity was less substantial for WIA disadvantaged adults than among participants in many other programs. There were, however, some significant differences. Employment rates were significantly lower for African American and Native American adults. Wages were significantly lower for Hispanics.

Workforce Investment Act Title I-B for Youth

(1) Data

Findings are based on the following sources of data:

- Program records on 2,244 youth who left the program during the 2001-2002 program year.
- Computer matches with the Unemployment Insurance (UI) records from five states (Washington, Idaho, Montana, Alaska, and Oregon), federal, and postal service personnel records.
- Telephone survey responses from 478 former participants, providing additional information on employment and satisfaction with the program.
- Computer matches with enrollment data from community and technical colleges, public four-year institutions, and private career schools in Washington.

(2) Participant Characteristics

Figure 1.
Characteristics of WIA Youth Participants:
Race and Ethnicity

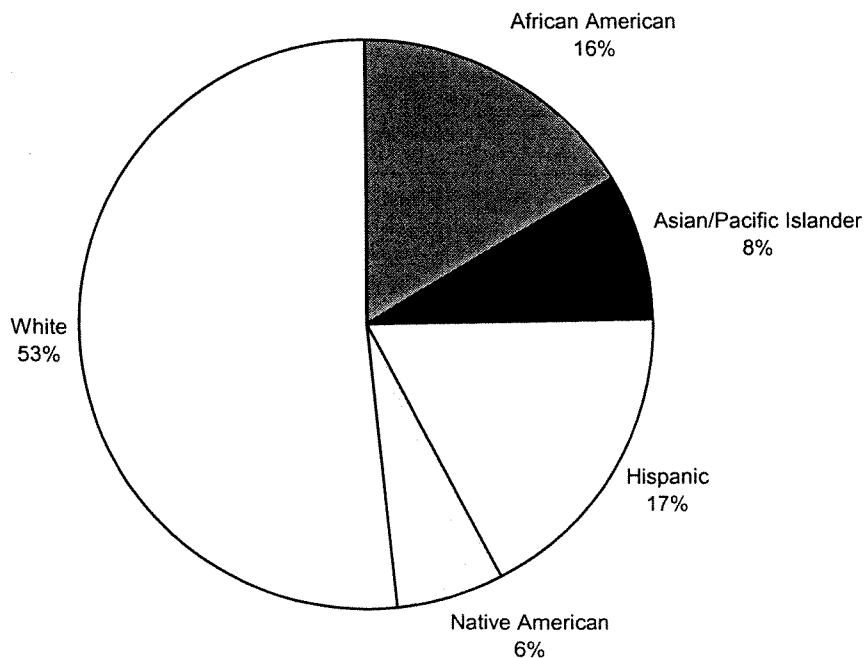
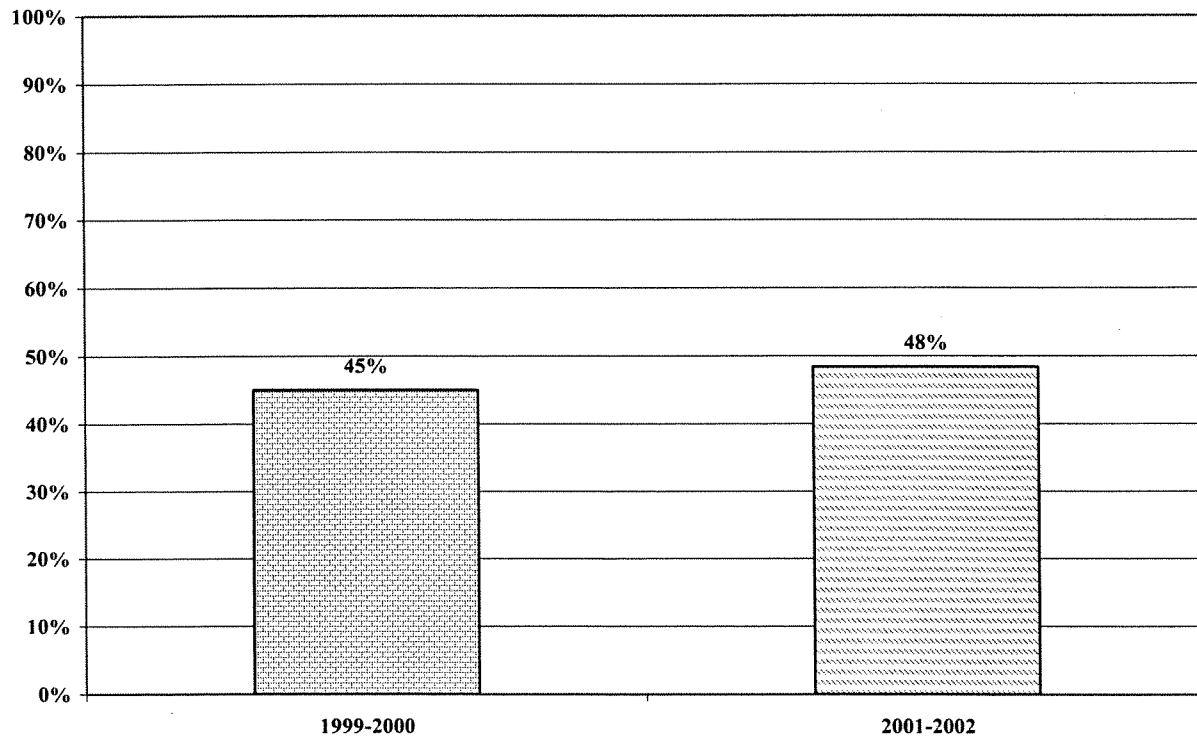


Figure 2.
Percentage of WIA/JTPA Youth Participants Who Are People of Color



Percent Female	50
Offenders	23 percent
School Dropouts ¹	32 percent
Disabled	20 percent
Limited English Proficiency	9 percent

(3) Competency Gains

Median Program Length	10 months (versus 6 months for the last year of Job Training Partnership Act (JTPA)) ²
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¹ These are defined as youth who had no high school degree and who were not enrolled in school at registration.

² On July 1, 2000, the Workforce Investment Act replaced JTPA.

Figure 3.
Youth Participants Receiving Various Types of Training
(Among Those Receiving Any Training)

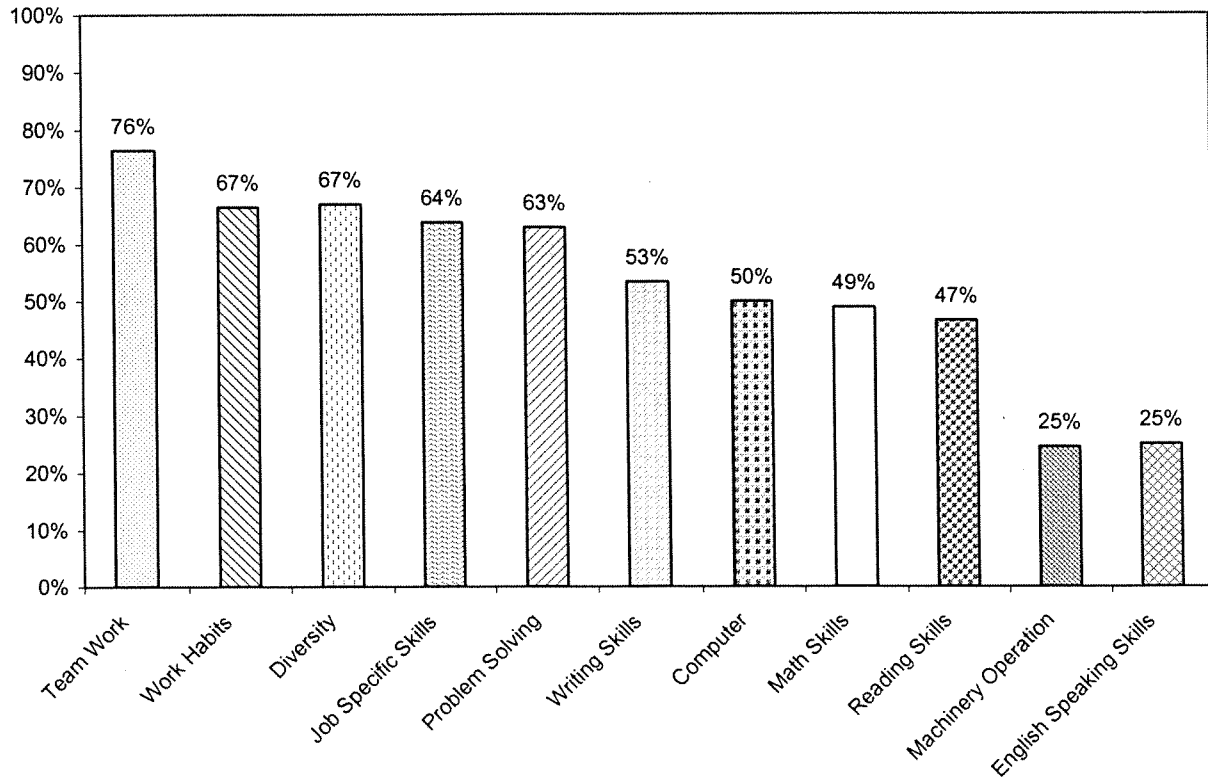


Figure 4.
WIA Youth Receiving Specific Skills Training Who Reported Their Skills
Improved a Little or a Lot

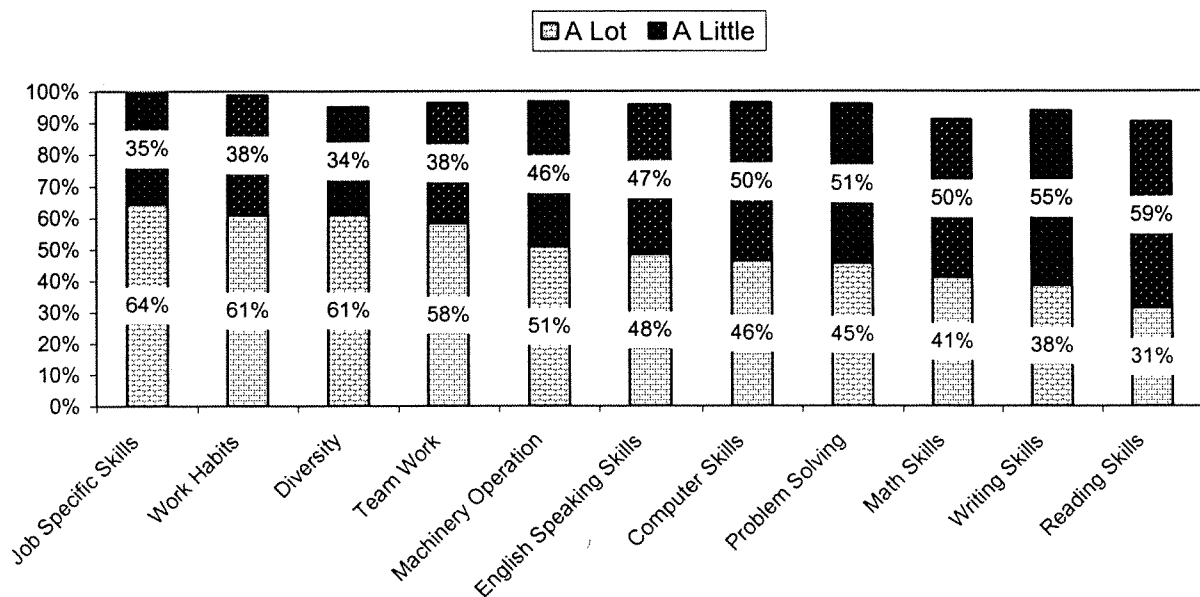


Figure 5.
Percentage of WIA/JTPA Youth Participants Who Report Receiving
Job-Specific Skills Training

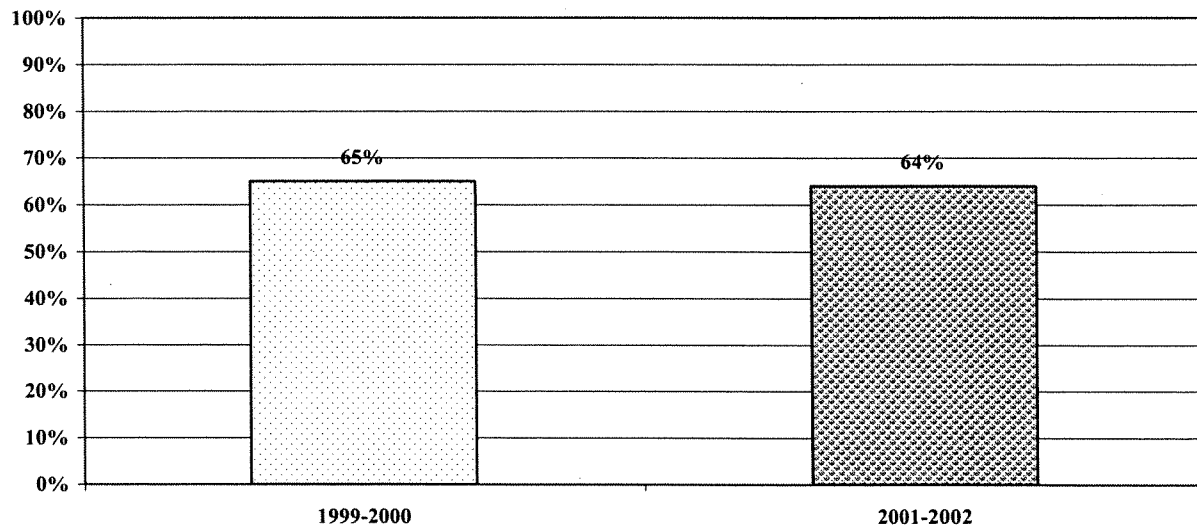
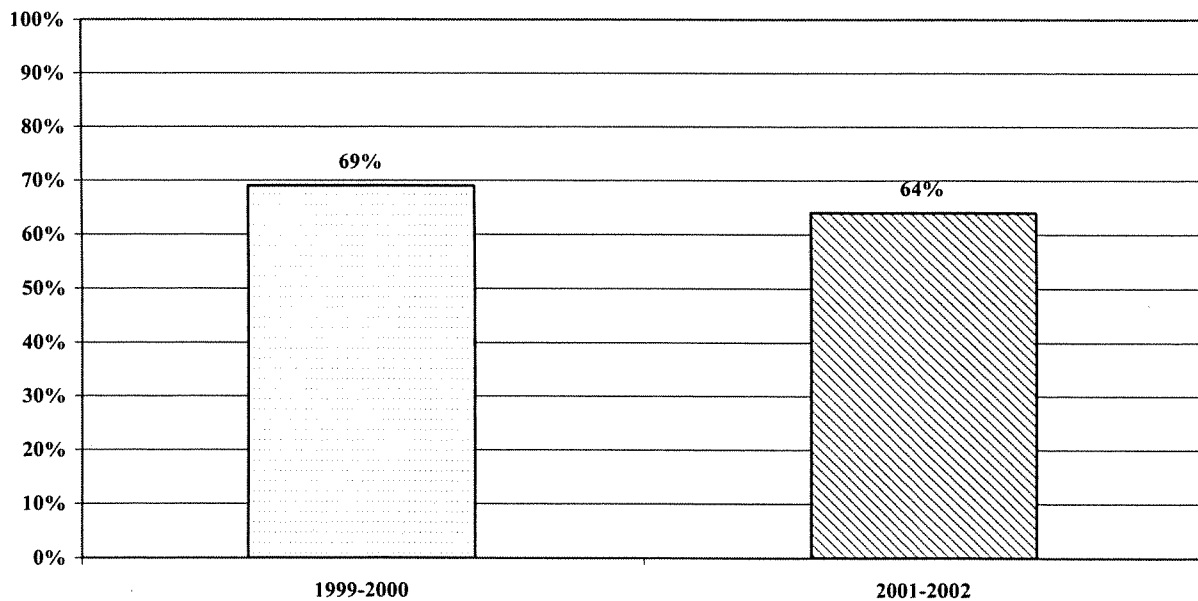


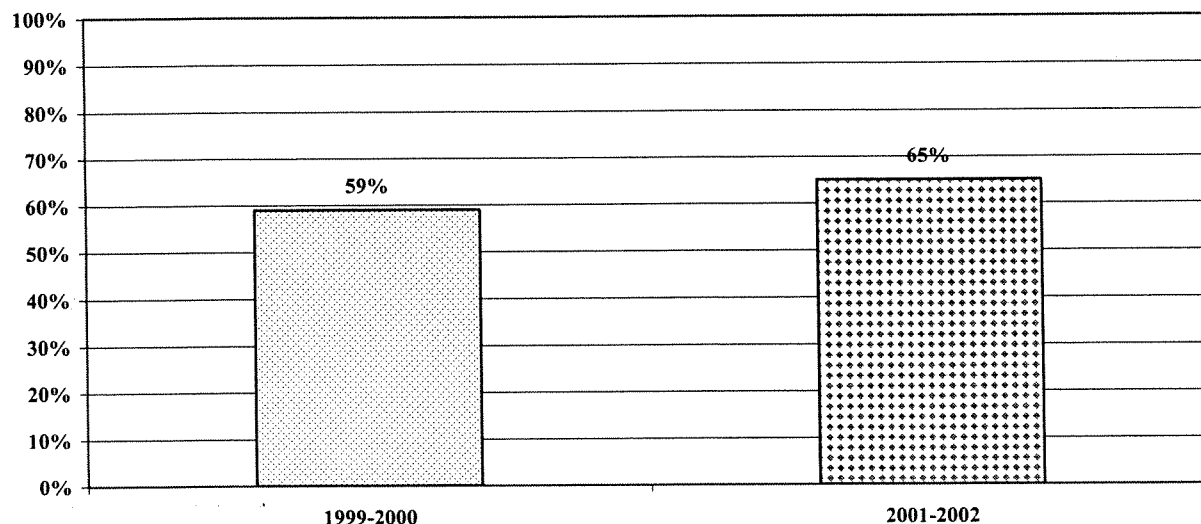
Figure 6.
Percentage of WIA/JTPA Youth Who Reported Their Job Specific Skills Improved a Lot



Percent Reporting Education and
 Training Related to Job

65 (versus 59 for last year of JTPA)

Figure 7.
Percent of Employed WIA/JTPA Youth Reporting Training was Related to Job Held During Third Quarter After Leaving Program



(4) Participant Satisfaction

Figure 8.
Support Service Needs of WIA Youth Participants
Among All Participants the Percentages Needing a Service
and Percentages Leaving With Needs Unmet

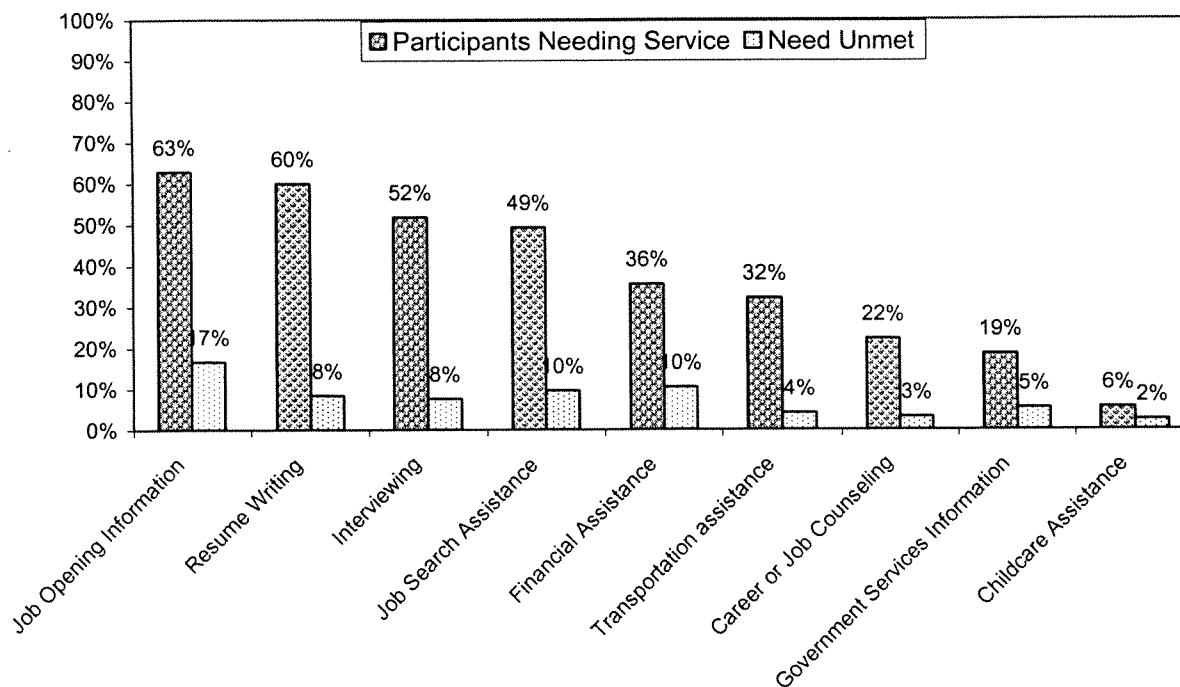
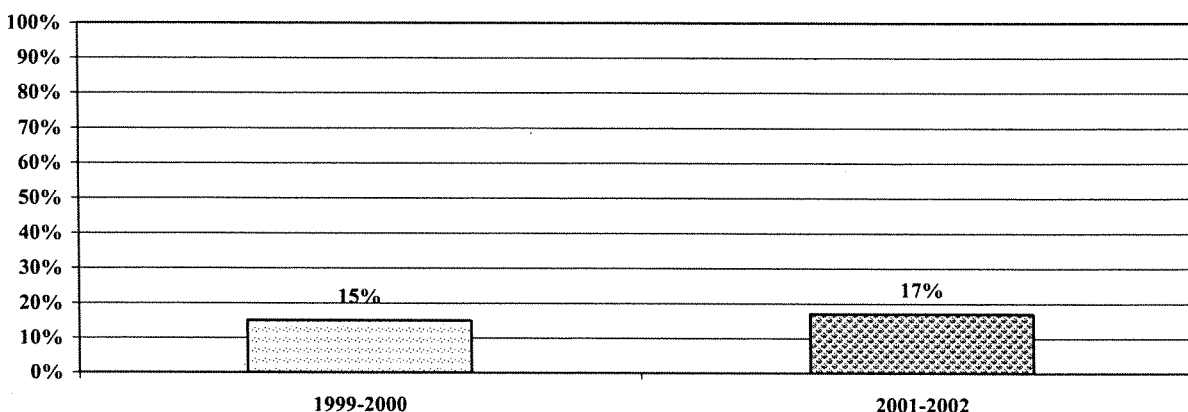


Figure 9.
Percentage of All WIA/JTPA Youth Leaving Program
With Unmet Need for Job Opening Information



Percent Reporting Overall
 Satisfaction With Program 96 (95 two years ago)

Percent Reporting Educational
 Objectives Met 93

(5) Employment and Earnings

Figure 10. Employment and Earnings of WIA Youth Participants in the Third Quarter After Leaving Program					
	1995-96* All Participants	1997-98* All Participants	1999-00* All Participants	2001-02 All Participants	2001-02 Not in High School
Percentage self-reporting employment during third quarter after leaving program	66%	76%	74%	66%	
Percentage with employment reported by employers to ESD the third quarter after leaving program	50%	59%	55%	47%	52%
Median quarterly hours worked, of those working	258	250	247	234	253
Percentage employed full-time of those working (averaging 30 or more hours/week)	32%	27%	28%	27%	29%
Median annualized earnings of those working (not in higher education)	\$6,545	\$6,941	\$7,598	\$7,549	\$8,213
Size of household in which median earnings would support at poverty level	0.7	0.8	0.9	0.8	0.9
Size of household in which median earnings would support at twice poverty level	0.4	0.4	0.4	0.4	0.5
Median hourly wage of those working (not in higher education)	\$6.69	\$7.04	\$7.89	\$7.90	\$7.97
Percentage self-reporting receipt of medical benefits from employer	36%	35%	40%	38%	
Percentage self-reporting receipt of pension benefits from employer	20%	18%	18%	17%	
Notes: Earnings and wages are expressed in first quarter 2003 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2003. *Figures for 1995 through 2000 are for the JTPA II-C Youth Program.					

Figure 11. Percentage of WIA/JTPA Youth Self-Reporting Employment 6-9 Months After Leaving Program

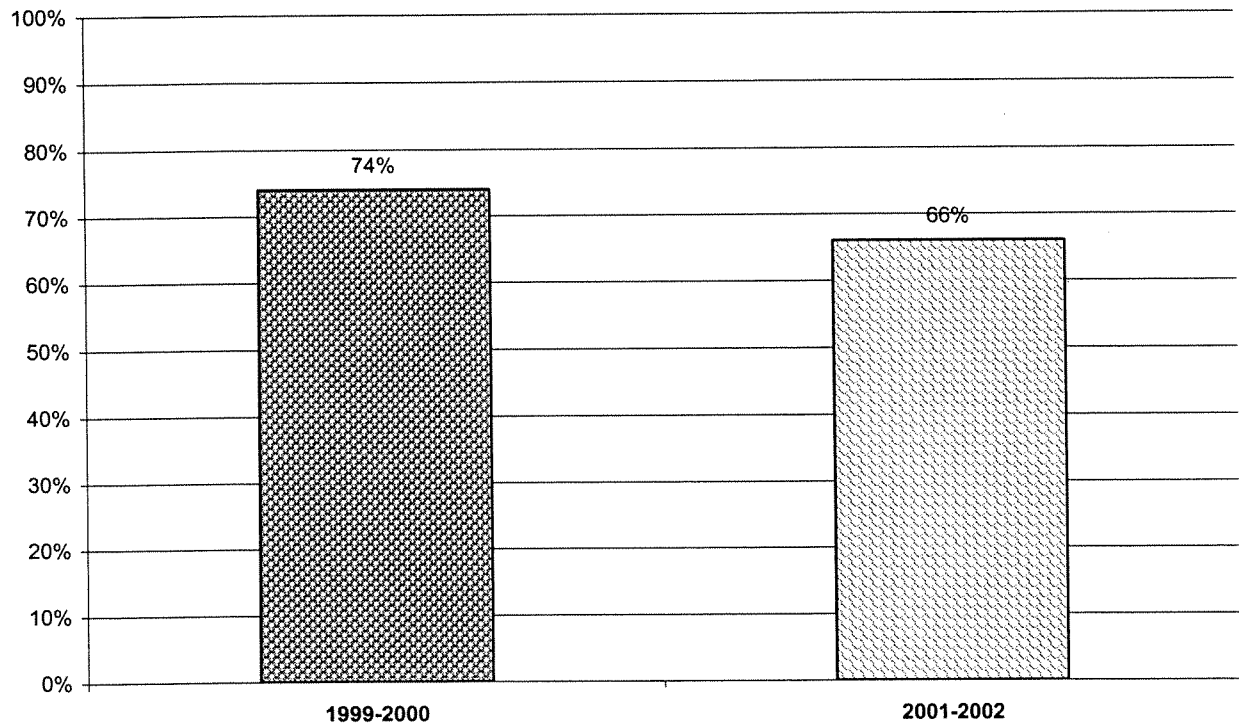


Figure 12. Percentage of WIA/JTPA Youth With Employment Reported to Employment Security Department 6-9 Months After Leaving Program

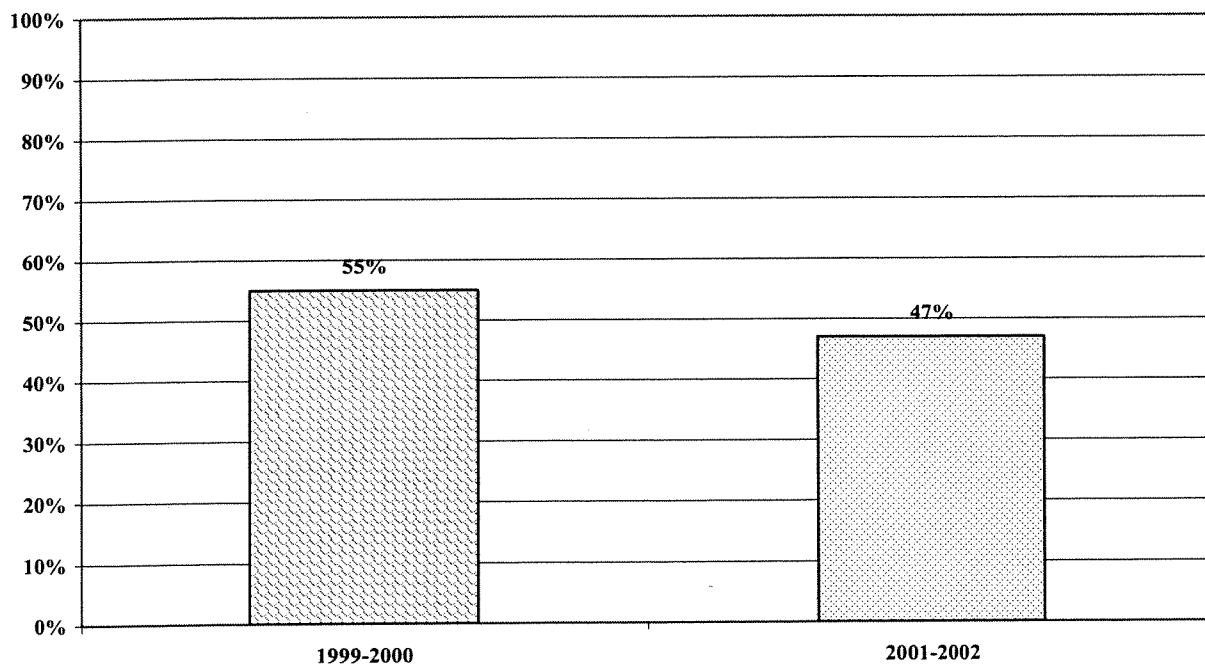


Figure 13.
Median Annualized Earnings of JTPA/WIA Youth 6-9 Months After Leaving Program

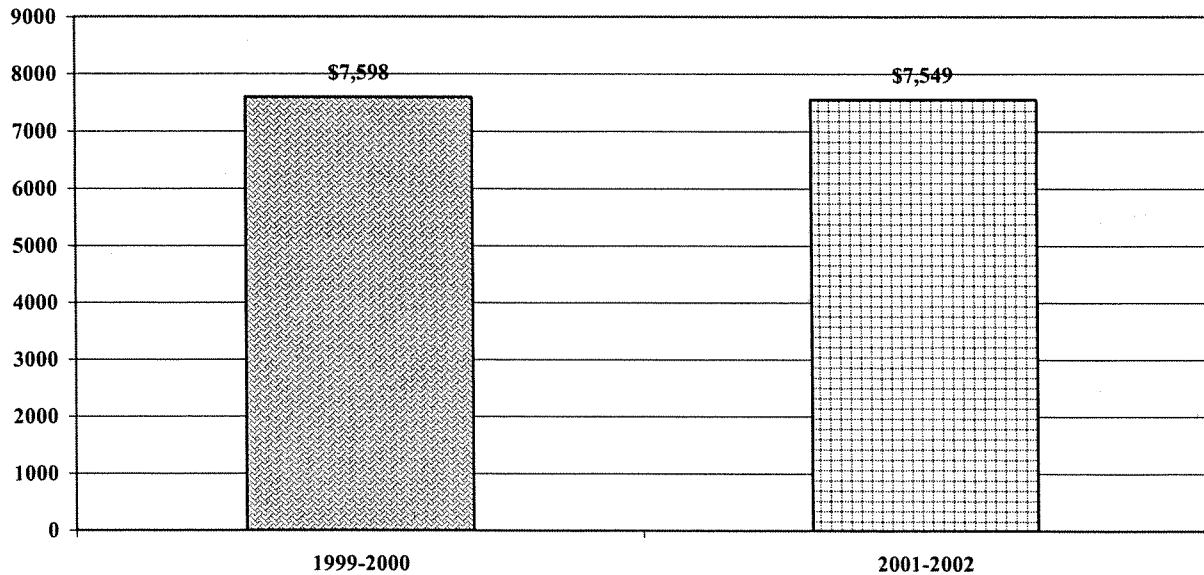
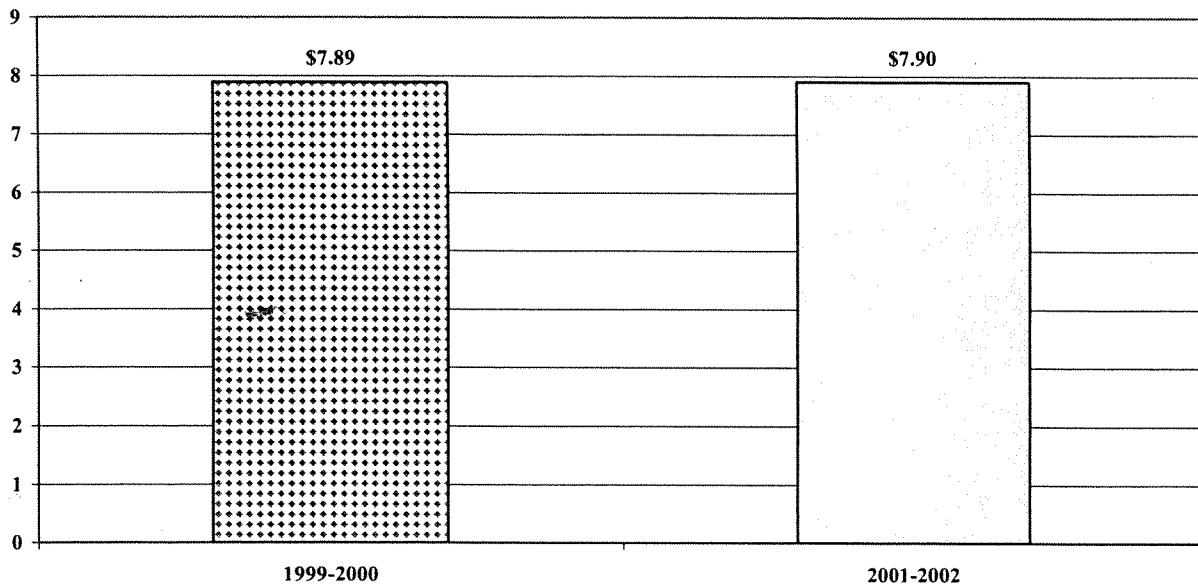


Figure 14.
Median Hourly Wages of WIA/JTPA Youth 6-9 Months After Leaving Program



Note that the employment rates based on matches with Employment Security Department's UI data are lower than those based on survey results. Employment Security records do not contain information on self-employment. The estimates also exclude employment in states that are not included in our matching process. Postprogram school enrollments are also underestimated; private four-year colleges and out-of-state schools are not included in our record matches.

(6) Other Findings

- Programmatic, Economic, and Demographic Changes

Several factors need to be considered when comparing outcomes for program participants over time. WIA replaced JTPA on July 1, 2000. The results through PY 1999-2000 in Figure 6 are for JTPA Title II-C.

Economic conditions and the demographic characteristics of participants have changed between 1999-2000 and 2001-2002. Especially important is the greater enrollment of younger youth under WIA than was the case during the last year of JTPA; the percentage of participants aged 16 or younger at registration increased from 24 percent to 40 percent. Younger youth are less likely to be employed than older youth.

- Administrative Data on High School Completion

Administrative records collected through the SKIES data reporting system provide additional information on school enrollment and high school completion among WIA youth. These data suggest the following school enrollment and high school completion statuses among youth leaving WIA during 2001-2002.

Already Had High School Diploma or GED at Registration	10 percent
Still Enrolled in High School at Program Exit	20 percent
Obtained a Diploma or GED During Program	32 percent
Did Not Obtain Diploma/GED and Not Enrolled in High School at Exit	39 percent

- Postprogram Activity Status

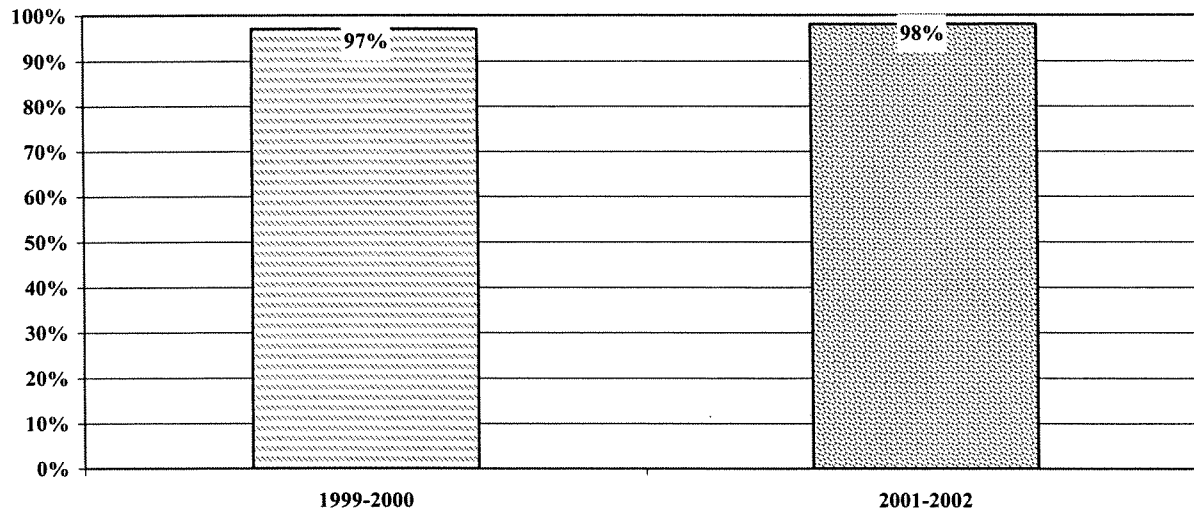
Program administrative records, UI wage record matches and matches with public 2-year and 4-year colleges and universities provide a rough picture of postprogram work and school enrollment statuses of WIA youth. Note that these data underestimate both employment and school enrollment. These data suggest that youth leaving WIA during 2001-2002 were engaged in the following activities during the third quarter after exit.

Enrolled in High School ³ or Higher Education	20 percent
Both in School and Working	10 percent
Working (and Not Enrolled)	37 percent
Neither in School nor Working	33 percent

³ Enrollment in high school refers to the first quarter after exit.

- Gender Differences in Outcomes

Figure 15.
Hourly Wages of Women Relative to Men During the Third Quarter
After Leaving WIA/JTPA Youth Program



Gender differences in postprogram hours worked, earnings and wages were not significant among WIA youth.

- Differences in Outcomes by Disability Status

Among the WIA youth participants leaving the program during 2001-2002, 20 percent reported having a disability. Postprogram hours worked and earnings (but not hourly wages) were significantly lower for these participants. The following statistics are for youth who are not still enrolled in high school.

	Disability	No Disability	Ratio
Median Quarterly Hours Worked	188	244	77 percent
Median Annual Earnings	\$6,902	\$8,572	81 percent

- Differences in Outcomes by Race and Ethnicity

The variation in labor market outcomes by race and ethnicity was less substantial for WIA youth than among participants in many other programs. Moreover, the small numbers of participants in some groups make it difficult to estimate earnings statistics precisely. Racial differences in mean earnings and wages were not statistically significant.

TAB 3

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

“WASHINGTON’S ECONOMY”

Behind this tab is a PowerPoint presentation on “Washington’s Economy.” This presentation provides background for the discussion of the draft update to *High Skills, High Wages: Our Agenda for Action*. It summarizes current economic conditions, reviews short-term economic forecasts, and examines longer-term trends affecting the labor market. Later in the Spring, the PowerPoint will be turned into Chapter One for *High Skills, High Wages*.

Board Action Required: None. For discussion purposes only.

Washington's Economy

Washington State Workforce Training and
Education Coordinating Board

March 25, 2004

The presentation examines --

- Shorter-term economic conditions and forecasts
- Longer-term trends
 - Technological innovation
 - Globalization
 - Structural change
- Implications of these trends

The presentation draws upon –

- *2003 Washington State Labor Market Economic Report*, Employment Security Department, 2003
- *Washington Economic and Revenue Forecast*, Office of the Forecast Council, February 2004
- *Job Vacancy Survey*, Employment Security Department, October 2003

The Economic Downturn and ‘Jobless’ Recovery

The US Economy

“Measured by GDP growth alone, the U.S. economy is in robust health. GDP growth approached 6.5 percent in the second half of the year, the best half-year performance in nearly two decades. Inflation is dormant, interest rates are low, productivity is surging, profits are strong, exports are on the rise. Only one critical element is absent — new jobs.” (Office of the Forecast Council, February 2004)

Washington's Economy

Figure 1. Unemployment Rate in Washington State (Not Seasonally Adjusted)

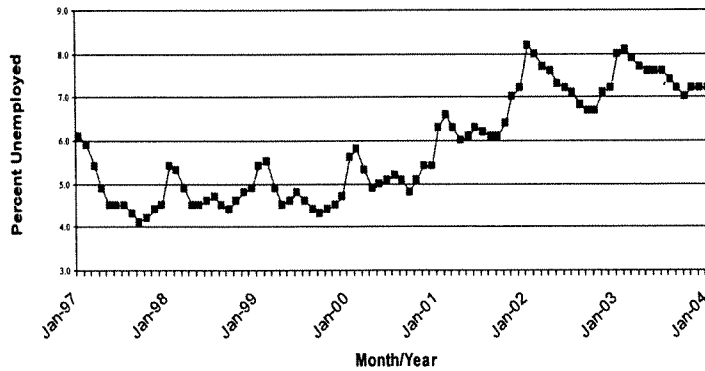
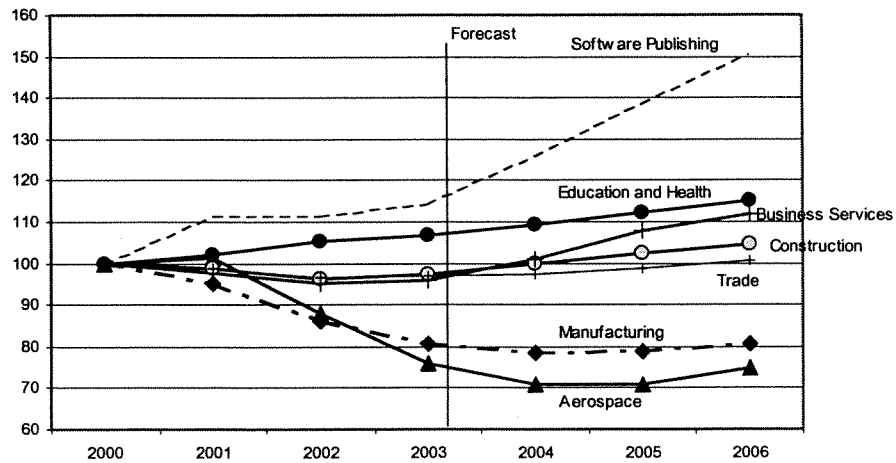


Figure 2. Employment Indices by Industry in Washington (2000=100)



Source: Derived from baseline forecast, Office of Forecast Council, February 2004

Long Run Economic Trends – Technological Change

- Massive investments in new technologies have increased the demand for highly skilled workers.
- The adoption of ‘high-performance work organization’ practices has also increased skill requirements.
- Half of Washington employers report that the skills required to adequately perform production or support jobs have increased over the past three years (2003 Employer Survey).

Long Run Economic Trends – Globalization

“Washington, more than any other state, relies on foreign trade, and our exporters have continued to do well despite the recession. Our businesses know the advantages offered by a global economy. But as opportunities to sell to other countries have increased, so have other countries’ opportunities to make the very things we sell. And it’s not simply a case of using low-wage, unskilled labor to mass-produce inexpensive standard products. Foreign countries are increasingly able to offer highly skilled alternatives to using American workers.” – a quote from *High Skills, High Wages 2000*.

Globalization – Outsourcing Offshore

- (1) Outsourcing is not new; consider the manufacture of the ‘American’ car.
- (2) The more recent wave of outsourcing white-collar knowledge work raises new concerns.

Outsourcing Offshore

- (3) We do not know the extent of this outsourcing or how much it will increase.
 - Forrester Research study—the US will lose a total of 3.3 million service jobs to outsourcing between 2000 and 2015; 220,000 jobs per year.
 - AMR Research study—20 percent of manufacturers and financial-services companies have outsourced some IT work and that percentage will double in next two years.
 - Many of the IT jobs that have been transferred are for low-level computer programming and call center operators.
 - Beyond the lost jobs, a broader impact may be the downward pressure on wages of technical workers in the US.

Outsourcing Offshore

(4) Driving forces:

- Supply of lower cost engineers and IT workers overseas.
- Improved communications (fiber-optics and the Internet).
- Spread of PCs.

Long Run Economic Trends – Structural Change

Structurally declining employment—

- Manufacturing

Structurally increasing employment—

- Professional and Technical Services
- Information
- Healthcare

Cyclical Industries—

- Retail Trade
- Finance and Insurance
- Construction

Source: Employment Security Department, 2003.

Long-Term Nonagricultural Employment Projections for Washington

<u>Industry</u>	Average Annual Growth	
	<u>2002-07</u>	<u>2007-12</u>
Total	1.6%	1.6%
Construction	1.5%	1.2%
Manufacturing	-0.3%	1.4%
Trade, transportation, utilities	1.3%	1.2%
Information	2.4%	2.5%
Financial activities	2.1%	1.3%
Professional and business services	2.9%	2.6%
Education and health services	2.1%	1.7%
Leisure and hospitality	1.7%	1.3%
Government	1.6%	1.5%

Source: Employment Security Department, 2003

Rising Inequality

Starting in the mid-1970s income inequality in America worsened, and studies suggest that pervasive technological change is the culprit.

Wage Distribution in Washington

- Real hourly wages have increased across the board from 1990 to 2002, but the increase was much greater at the upper end.
- In 1990, the ratio of the average wage of the top 10 percent of jobs to the bottom 10 percent of jobs was 7.6. The ratio peaked at 12.4 in 2000, before declining to 10.1 in 2002.
- The rise (and fall) of wages in the computer services has contributed to wage inequality in Washington.

Source: Employment Security Dept, *Washington Wage Report*, 2004.

Are we meeting the demand for skilled workers?

**Sub-Baccalaureate (1 to <4 years) Supply and Demand
2000-01**

30,700 Net job openings per year

24,534 Newly prepared workers (community and technical colleges, private careers schools, and apprenticeships)

Supply equaled 80 percent of demand

Source: Workforce Board

Employers report difficulty finding skilled applicants

Estimated number of employers having difficulty finding qualified job applicants by postsecondary education level:

Vocational certificate	17,000
Vocational AA	16,600
Academic AA	10,800
BA/BS	12,700

Source: Workforce Board 2003 survey of 2,968 employers.

What kinds of workers does the economy require?

Total Job Vacancies among occupation groups requiring mostly postsecondary education:

**5,797 health care occupations
3,717 computers and math
1,791 business and financial operations
1,466 management
1,126 education
1,121 social services
731 life, physical, and social sciences
727 engineering and architecture**

**Source: Employment Security Department Job Vacancy Survey
(October 2003)**

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

HIGH SKILLS, HIGH WAGES 2004: OUR AGENDA FOR ACTION

In this tab is the draft update to *High Skills, High Wages*, for 2004. The draft is based upon feedback from workforce development stakeholders (Workforce Board newsletter list), the Board's comments at the January meeting, and the comments of the Interagency Committee members on March 5, 2004.

At the March meeting the Board will review the draft and indicate any changes it wants prior to the draft being disseminated for public review and comment. In June, the Board will act on final adoption.

Board Action Required: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, State statutes require the Workforce Training and Education Coordinating Board to update the State Strategic Plan for Workforce Development every two years;

WHEREAS, The Board considered changes in the economy and demographics of the labor force during the past two years and that are expected during the next decade;

WHEREAS, The Board considered input from workforce development stakeholders on how the Plan should be updated to better address their issues of concern; and,

WHEREAS, The Board believes that extensive opportunities for interagency and public input both at the state and local levels are necessary to ensure an effective Plan is developed.

THEREFORE, BE IT RESOLVED, The Workforce Training and Education Coordinating Board adopts the draft 2004 edition of *High Skills, High Wages: Our Agenda for Action* for the purpose of public review and comment.

High Skills, High Wages: Our Agenda for Action

Our vision is a workforce development system that offers every Washington resident access to high quality academic and occupational skills education throughout his or her lifetime, effective help to find work or training when unemployed, the personalized assistance to make progress in the labor market, and Washington employers access to the skilled workforce they need. By anticipating and planning for economic and demographic changes, the workforce development system enhances the prosperity of the state.

To make our vision a reality we must plan our journey carefully. We must have a clear map—a set of goals, objectives, and strategies—to identify our route and guide the programs of the workforce development system to help us get there. We must have the support of our policymakers and voters and we must be held accountable for results in making progress. Finally, we must demonstrate commitment to the journey. This plan, updated in 2002, defines the state's goals, objectives, and strategies, and measures of our success.¹

Challenges

The last two decades have brought about a dramatic transformation in our state's economy with profound implications for the workforce. We live in a knowledge-based economy where the main engine of economic growth is the human mind. While this economy has generated tremendous wealth, it has also sharpened economic disparities between the educated and the uneducated, and between urban and rural areas. Now, more than ever enhancing the skills of our workforce is critical for ensuring a productive and secure future for all Washington residents. In an age of global competition for good jobs, the places that thrive will be the places with the best educated, most innovative, and most productive people.

Recognizing the importance of a skilled workforce, Governor Gary Locke asked the Workforce Training and Education Coordinating Board (Workforce Board) to address three critical challenges for the state's workforce development system:

1. Closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.
2. Enabling workers to make smooth transitions so that they may benefit fully from the new, changing economy. The Board shall develop a coherent strategy for dislocated and incumbent worker training.
3. Assisting disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low income workers. Specific progress should be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

¹ RCW 28C.18.060 requires the Workforce Board to update the state strategic plan for workforce development every two years. Representatives from business, labor, education, related public agencies and private organizations provided advice on this update.

This plan sets forth our goals, objectives, strategies, and performance measures for meeting these three challenges. Meeting these challenges also requires addressing a fourth challenge: integrating services provided by separately-funded workforce development programs so that we can provide the best possible service to our customers.

Washington's employers still report difficulty in finding skilled workers. Many dislocated workers cannot obtain jobs in high demand fields because they lack the current technical skills required by business. Too often employers are forced to search in other states, or even in other countries, for technical workers they cannot find at home.

Washington's health care industry is experiencing a twofold dilemma: an acute labor shortage at the same time that our population is aging and increasing demand for health services. The health care worker labor shortage is seriously jeopardizing the availability and quality of health care for the people of Washington, undermining the vitality of one of the largest industries in the state.

Skilled workers in the construction and manufacturing trades will be retiring without enough apprentices in training to fill their jobs.

In high school, too many students lack motivation and support and leave school before graduating. For those who stay, it is too likely they will graduate from high school unprepared even for entry-level work and be unaware not only of the education and skills required by today's employers, but also of the variety of employment opportunities. Many students who do not immediately move on to postsecondary education after high school spend years drifting in dead-end jobs before linking with training at a community or technical college or private career school.

Too many participants leave training programs without a meaningful credential that can convey to employers or postsecondary education what they know and are able to do. Often students must duplicate coursework that they have already completed at an earlier stage in their careers because their credentials are not widely accepted.

Former public assistance recipients move into employment, but too often into low wage jobs that allow little flexibility for balancing work, family, and training for advancement.

Building on Success

Washington has made great strides forward in workforce development. Public and private partners are working together more than ever before and realizing the benefits of collaboration. From K-12 drop-out prevention, to targeted resources for post-secondary education and training in high demand occupations, to more seamless employment services, responsible organizations and agencies have demonstrated commitment and taken significant steps forward.

Public and private partners have worked closely to coordinate workforce development initiatives. Recent successes include:

- **Skill Panels.** The Workforce Board has expanded the number of skill panels that support key industry clusters in local areas. The panels consist of employer, labor representatives and training providers. They assess industry skill gaps and develop and implement

strategies to close the gaps, and have become nationally renowned as excellent examples of “workforce intermediaries.” As of December 2003, there were 19 current skill panels in construction, electronics, game software development, energy, information technology (IT), manufacturing, and health care. There are 12 health skill panels convened by each of the 12 Workforce Development Councils (WDCs).²

- **National Award for Exceeding Performance Targets.** Washington was one of five states to receive a \$3 million award from the federal Departments of Labor and Education for exceeding workforce development performance targets for Workforce Investment Act (WIA) Title I, Perkins Vocational and Technical Education, and Adult Education and Family Literacy. The Workforce Board directed that the funds be used by local areas to address the shortage of health care workers.
- **Boeing 7E7 Bid Succeeds.** Workforce development partners worked closely with the Department of Community, Trade, and Economic Development (DCTED) to assemble a workforce package that provides Boeing workers with recruitment, assessment, training, and retention services. The plan ensures Boeing access to highly skilled workers who will maintain skills according technological advances as they arise. To this end, an Employment Resource Center will be built close to the Everett factory to house work force development programs for the 7E7. In addition the State Board for Community and Technical Colleges (SBCTC) will establish a two-year Aerospace Manufacturing Degree Program in consultation with Boeing.
- **Washington Leads States in Performance Measurement.** In recognition of Washington’s success in evaluating workforce development programs, the Department of Labor (DOL) requested that Washington lead the states in revamping the performance management system across the nation. The Workforce Board is contracting with the National Governor’s Association to carry out this project, known as the *Integrated Performance Information Project*.
- **Training Customized for Employers Needs.** Washington greatly expanded the amount of funding available for customized training. For the 2003-05 biennium the Legislature appropriated funds to expand the Job Skills Program (JSP) from \$1.14 million to \$2.95 million, and the Governor authorized the use of \$3.2 million in 2003-04 WIA funds for customized training. In 2003 827 incumbent workers received training via the JSP and another 706 are projected to be trained in 2004.³
- **Addressing Health Care Personnel Shortages.**
 - The Workforce Board has convened a state Health Care Personnel Shortage Task Force at the request of the Legislature. The Task Force developed a state plan for addressing the severe shortages of health care personnel and will issue a progress report to monitor progress until the shortages abate.
 - All 12 WDCs have established Health Skill Panels that carry out strategies in the Task Force plan and address local shortage priorities.

² For a full description of skills panels see the report *Competitiveness and Opportunity, Public and Private Industry Partnerships that Work*: <http://www.wtb.wa.gov/SKILLS.PDF>.

³ Provide data on state appropriated funds for incumbent worker training in other states compared to Washington.

- In 2003 the Legislature appropriated funds to expand higher education capacity of which \$11.8 million was directed to health care education and training programs. As a result there will be about 2,000 more students enrolled in health care programs.⁴
- **Employment-Related Services.**
 - The Employment Security Department (ESD), the Division of Vocational Rehabilitation (DVR), the Department of Services for the Blind, and local staff assessed physical and program accessibility of 26 WorkSource Centers. Teams recommend ways to remove service barriers, and multi-agency staff received customer service training. ESD conducted over 50 outreach events for people with disabilities seeking to obtain work, in addition to a series of Native American disability conferences.
 - ESD has implemented Services, Knowledge, and Information Exchange Systems (SKIES) the new information system for WorkSource.
 - DVR supported two information conferences on Health Care for Workers with Disabilities (HWD), the new Ticket to Work program. Over 400 agency staff and affiliates are now prepared to inform 148,000 eligible social security disability beneficiaries about services available via HWD.⁵ HWD allows people with disabilities to work and earn up to 450 percent of the federal poverty level and still continue their Medicaid coverage, eliminating one of the most significant barriers to employment.
- **Labor-Market Information and Program Evaluation.** Beginning in May 2003 ESD is conducting a biennial survey of Washington's employers to determine job vacancy rates for industries and specific occupations. This survey provides valuable information on state and local job trends. Results of this survey and other information is available via the web site, www.WorkforceExplorer.com. This web site enables job-seekers, students, career counselors, WorkSource staff, and others to access information on job vacancies, occupations in demand in the state and each local area, as well as wage rates.
- **Business Involvement.** The Association of Washington Business' (AWB) nonprofit arm, the Institute for Workforce Development and Sustainability (IWDS), won a two-year Workforce Innovations Network (WINS) grant to build business engagement with the workforce development system. ational partners supporting the project are the Center for Workforce Preparation (U.S. Chamber of Commerce) in partnership with Jobs for the Future and the National Association of Manufacturer's (NAM) Center for Workforce Success. The WINS project will improve AWB member participation on local boards, and design a project to "loan" executives to WorkSource Centers to improve services to business.
- **Apprenticeship Innovations.** Tacoma-Pierce County WDC's health skill panel, the (Pierce County Health Services Careers Council) and Multicare Health Systems worked with the Washington State Apprenticeship Training Council to establish new apprenticeship programs in health care for a Health Unit Coordinator Apprenticeship, and two

⁴ See the plan in "Crisis or Opportunity?" and a report on progress in fulfilling the plan in, "Progress 2003" at <http://www.wtb.wa.gov/HEALTHCARETASKFORCE.HTM>

⁵ See Section 203 of the Ticket to Work and Work Incentives Improvement Act of 1999 Health Care Financing Administration, The Act enables states to eliminate barriers to employment for people with disabilities by improving access to health care coverage available under Medicare and Medicaid www.hcfa.gov/medicaid/twwiia/twwiiahp.htm

apprenticeships in the specialized imaging fields on Computed Tomography and Magnetic Resonance Imaging. These are the first of their kind in the nation.

- **Retraining Dislocated Workers.** The Legislature continues to earmark funds for the community and technical colleges and private career schools to retrain dislocated workers. In 2003 SBCTC utilized the greatest portion of High Demand funds appropriated by the Legislature to fund the Worker Retraining program. Dislocated workers are able to receive additional weeks of unemployment insurance benefits while retraining. And ESD administers a high quality rapid response system for dislocated workers guided by labor/management committees.
- **Consumer Reports on Education and Training Programs.** The Workforce Board has established an on line consumer report system (<http://www.wtb.wa.gov/etp/> and <http://www.jobtrainingresults.org>). The system informs consumers and staff about programs that meet performance standards and their results in placing students into jobs, and what these jobs pay.

These are important steps forward and show clear commitment to making our vision real.⁶

⁶ For more detailed information on progress that agencies and other partners have been making to fulfill goals, objectives and strategies in the state strategic plan refer to the annual report to the legislature, "Progress of Agencies in Implementing High Skills, High Wages, 2002" located at www.wtb.wa.gov/annualrept02.pdf.

Objectives and Strategies

In the following section, we indicate the strategies we will pursue to meet the goals and objectives and explain why we must do so. We also identify which entities are responsible for leadership to implement the strategies. Finally, we set forth the key performance measures we will use to measure our progress and success.

Challenge One: Skills Gap

Goal 1: To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.

Key Performance Measures

New numbers in July

1. The number of community and technical college students, private career school students, and apprentices prepared for work compared to the number of net job openings for workers at that education level: We are meeting **78 percent of demand** for newly prepared workers, up from **75 percent** of two years ago.
2. The number of industry skill panels that are established: 28 skill panels have been established during the past two years since 2000 (none existed prior to that).

The Issue for Goal 1:

“Employers across the nation and within all industries share a common understanding—a qualified and well-trained workforce is perhaps the most critical factor to sustained growth and competitiveness.”

- Scott Cheney, U.S. Chamber of Commerce, September 2001 ⁷

Employers cannot find enough qualified job applicants to fill job openings. Even during slow economic times, employers still face shortages of *skilled* workers. When surveyed during the fall of 2003, 45 percent of Washington employers who had attempted to hire new employees during the last 12 months had difficulty finding qualified applicants. This represents an estimated 55,000 employers.⁸

Among employers reporting difficulty, 91 percent had difficulty finding qualified job applicants with job-specific skills. For example, they wanted to hire a computer technician, a carpenter, or a diesel mechanic but they had trouble finding such applicants. Similarly, employers had a hard time finding workers with a postsecondary career and technical credential. An estimated 16,000 firms had difficulty finding applicants with a postsecondary vocational credential, more than had difficulty finding applicants with any other type of education.

⁷ Scott Cheney, U.S. Chamber of Commerce Center for Workforce Studies, *Keeping Competitive: A Report from a Survey of 18,000 Employers*, September 2001.

⁸ Workforce Board Employer Survey 2003. Forty-five percent of Washington employers attempting to hire new employees, had difficulty finding qualified applicants.

As discussed in Chapter One (Tomorrow's Economy), the shortage of skilled workers has hurt our state's economic vitality. Economic vitality depends on workforce development especially in the key economic clusters where the state has a competitive advantage. We must carry out strategies to *close the skills gap* that these industries face. These strategies include expanding public and private partnerships (such as skill panels), increasing the capacity of education and training programs, and providing tools for students and workers to achieve successful careers.

An economic cluster, as defined by Michael Porter is a "geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and association institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate." In other words, a cluster consists of the firms in an industry and the related firms in other industries and private and public institutions that are important suppliers, customers, or regulators of the industry. A cluster exists when there is a high concentration of such partners within a geographic region.

The competitive economic advantage of a geographic area can be found in industry clusters. The existence of an unusually high number of firms and jobs in an industry in an area is strong evidence that the area has a comparative advantage over other areas for that industry. For example, the central and southeast areas of the state have an obvious cluster in agriculture and food processing. There are an unusually large number of employers and jobs in agriculture and food processing compared to the number of such employers and jobs in other areas of the nation and there is a large network of related firms and institutions. These resources create an advantage compared to other geographic areas in competing in the agriculture and food processing market. The existence of a large number of firms in an industry increases the likelihood of further growth in that industry, including new spin-off businesses.

Objective 1.1: Create private-public partnerships to enable individuals to move up job and career ladders throughout their lives.

Strategies

1.1.1 Create and enhance industry skill panels especially in high demand economic clusters such as health care and information technology.

Lead Organization: Workforce Training and Education Coordinating Board.

Key Economic Clusters: A cluster is a geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and association institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate. - Michael Porter⁹

Washington is nationally known for linking economic and workforce development by strategically investing in industry skill panels. Comprised of business, labor, and education, industry skill panels are "think tanks" that focus on the existing and future workforce development needs in key industries. The panels provide forums for discussion with multiple stakeholders who are vested in a particular industry. Skill panels create industry-driven teams

⁹ Michael E. Porter and Debra van Opstal, *U. S. Competitiveness 2001: Strengths, Vulnerabilities and Long-term Policies*, Council on Competitiveness, 2001.

that find solutions for short-, mid-, and long-term challenges and opportunities for an industry's workforce. They foster an environment of knowledge sharing among individuals who make recommendations for immediate and future action to a local region, the state, or the Legislature for policy changes necessary to keep an industry's workforce competitive.

Such partnerships foster innovation and give industries and public partners the opportunity to be proactive instead of reactive—addressing changing workforce development needs quickly and competently.

Three types of skill panels are emerging:

- Crisis Driven: Agriculture/food processing, health care, and aerospace.
- Industries in Transition: IT, marine construction; electronics, manufacturing, and energy.
- Emerging Industries: Game software development and biotechnology.

Since 2000, the Workforce Board has provided funding to establish 28 skill panels. In 2004, 19 skills panels were operating with 12 in health care. Not all skill panels remain in their original form. Often their work emerges in other regional or local initiatives. Local leaders plan to expand skill panels in the coming years and report that they have proven to a successful tool engaging business in workforce initiatives.¹⁰

The Manufacturing Skill Panel at Shoreline Community College was formed to examine the need for more skilled workers in Kent, greater King County and the Puget Sound region.

Manufacturing accounts for nearly all of Puget Sound's exports, which make up 87 percent of the state's total exports. Washington is ranked fifth among states in total exports to the world. According to a study conducted by the Kent Chamber of Commerce, over 20 percent of the companies in the Kent Valley identified a lack of qualified employees as one of their top three constraints to growth. The same companies projected a 21 percent expansion in employment in the next three years.

The skill panel represents over 30 manufacturing companies and is utilizing their diverse industry knowledge and expertise to design curricula, assessments and certifications. In 2003 SBCTC awarded a \$460,000 grant to support the **Center for Manufacturing Excellence** (Center) at Shoreline Community College. The skill panel is advising on design for an employer-friendly Center that can serve the Puget Sound Manufacturing sector, especially the customized training needs, and flexibility of skills that small and mid-sized manufactures need.

1.1.2 Provide high quality labor market information that enables programs to respond to changes in the labor market and informs students and customers about current career opportunities, especially in high demand clusters such as health care and information technology.

Lead Organization: Employment Security Department.

ESD's Labor Market and Economic Analysis (LMEA) unit is improving customer access to quality labor market information through the development and enhancement of its Workforce

¹⁰ For further information see Workforce Board report on skill panels, *Competitiveness and Opportunity*, 2003.

Explorer website and customer driven products such as the Job Vacancy and Employer Benefit Survey, Regional Data Analysis Tool, Available Skilled Worker Website, and Entry Points analysis. LMEA staff are working with the community and technical colleges, secondary career and technical education, and WDCs so that key labor market information is incorporated into the planning, decision making, and policymaking process for curriculum development and training programs. The information is easy-to-use with interfaces between labor market information and career guidance tools. Skill panels use the LMEA data and also help to enrich it by producing more detailed information on their particular industry.

1.1.3 Develop competency-based education and training programs, and modular curricula and assessments that are linked to industry skill standards.

Lead Organizations: State Board for Community and Technical Colleges and Office of Superintendent of Public Instruction.

Too many programs do not teach to widely recognized skill standards nor do they offer a credential that is accepted by other programs and by employers. As a result, too many participants repeat lessons they have already learned on a job or in another program or complete one program without acquiring the skills required for entry into the next level of training or employment. Such inefficiencies add to the time that people spend in training and out of the workforce and divert scarce resources from other areas of need. Credential portability is critical so that workers can move up job ladders throughout their careers.

Apprenticeship programs have long been based on skill standards that enable workers to obtain certificates which are recognized throughout the industry and across the nation. In order to meet the needs of students, workers, and employers, curricula must increasingly be in short-term packages. This modular training must be available on an open entry, open exit basis so that individuals can access training at the level they need when they need it.

Our state's community and technical college system has led the nation in the development and implementation of industry-based skill standards. Skill standards are currently under development in Washington for 25 industries with over 65 occupations represented. In addition, curriculum, assessment, and professional development projects based on skill standards are underway in postsecondary career and technical education programs and all of the 22 Tech Prep consortia.¹¹ Skill standards integrate foundation academic and employability skills, industry-specific knowledge and some job-specific skills.¹²

The National Institute for Literacy solicited Washington State to be one of four state partners in a pilot project to design and validate a work readiness credential. This cross-industry, portable tool will guarantee employers that current or potential employees possess basic knowledge, skills, and abilities to succeed in today's workplace. By March 2004 over 70 Washington employers had joined forces with national partners, including the Center for Workforce Preparation of the U.S. Chamber of Commerce, the Institute of Educational Leadership, NAM,

¹¹ Washington's Tech Prep programs coordinate two years of secondary career and technical education with two years of higher education at a community and technical college in a technical field. See also Mathematica Policy Research Inc, *The Final Report of the National Tech-Prep Evaluation*, Washington D.C., 1999, Volume 2.

¹² For more information on WA skill standards see the Center for Learning Connections at Highline Community College: www.wa-skills.com/html/wireless_tele.htm.

the National Retail Federation, the National Skill Standards Institute, and nearly 400 business peers across the country to give input to the project.

At the secondary level, Office of Superintendent of Public Instruction (OSPI) has established standards for exploratory and preparatory secondary career and technical education. These career and technical education program standards are aligned with similar standards used in the state's community and technical college system to assure a seamless articulation between secondary and postsecondary career and technical education programs. This includes advanced placement opportunities, high end IT certifications, and a connection to the critical employment and instructional needs in various occupational areas such as health services, construction, IT, agriculture, and manufacturing. Under the standards, to receive supplemental funding for career and technical education, school districts would have to provide exploratory career and technical courses that require students to demonstrate workplace skills, and preparatory courses ending in certificates of competency based on industry skill standards. DVR will lend its expertise in developing curricula that is accessible to the learning styles and comprehension abilities of youth with various disabilities.

Continued steps are needed to make skill standards portable, applicable to more programs, and accepted and used by employers in their human resource systems. When fully implemented, skill standards will be the glue that holds the training system together.

Objective 1.2: Increase the number of young people who understand and act on career opportunities available through career and technical education and training programs, including youth from target populations.

In order to help students achieve their dreams and ambitions, we need to increase awareness among young people and their parents of the range of postsecondary education and career options, and the steps necessary to achieve their goals.

Too often students do not immediately move on to postsecondary education after high school and spend years drifting in dead-end jobs before linking with a career and technical education program.

- The median age for students enrolling in a community or technical college career and technical program is 27 years old, and more than a quarter of them are over 33.
- Only 1 percent of apprentices enter their apprenticeship directly out of high school.

More students and parents need to understand that at least some postsecondary education has become a basic requirement for most family wage jobs, and that there are a variety of postsecondary options that lead to well paid and rewarding careers.

At the same time there is a persistent lack of recognition among students and parents of the high wage, high demand career opportunities that do *not* require a four-year baccalaureate. A four-year baccalaureate degree is not the *only* avenue to financial success and well-being. Only 19 percent of the net job openings this decade will require a baccalaureate or graduate degree, while 41 percent of the openings will require some education or training beyond high school but not a baccalaureate degree.

“The nation’s fixation on four-year college attendance intensifies. An educated citizenry and workforce is a nation’s greatest asset, and education is a key to personal and economic fulfillment. But manufacturers are not alone in pointing out that a fixation—among high school teachers and counselors, students and parents—on a four-year university education immediately following high school makes young people shun other attractive options, leaving alternative career paths starved for attention and resources.”
- Phyllis Eisen, Manufacturing Institute¹³

Strategies

1.2.1 Develop individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment, and their career option including high wage, high demand occupations, and non traditional occupations.

Lead Organization: Office of Superintendent of Public Instruction and Workforce Development Councils (Youth Councils).

“When students become more knowledgeable about what they need to know and be able to do to achieve their dreams, they take much fuller advantage of the opportunities high school affords. Their level of motivation rises. Their sense of purpose is clear.”
– Tim Stensager, Franklin Pierce School District¹⁴

High schools are required to offer educational pathways for students after the Certificate of Mastery, and in order to graduate, the students of 2008 must complete a culminating project, and an individual plan for their high school experience and one year beyond high school.¹⁵ These strategies aim to ensure students connect what they learn in high school with future education and career options.

Individual career plans should link long-term planning with short-term decisions about courses or programs and enable youth to identify their interests and aspirations. In this way, students can become aware of the variety of options available, and the steps necessary. A number of techniques improve the effectiveness of career plans so that they are not “stand-alone” items, but are intrinsic to the student’s entire high school program. Career plans should be connected to other courses and programs, the curriculum, career guidance tools, and assessments. Including resources to implement the plan will provide the means to make the plan a reality.

Individual career plans are especially important for students of color, females, and students with disabilities. While Washington State is becoming more diverse with people of color growing more rapidly than the white population, people of color have historically obtained less education

¹³ Phyllis Eisen, “Skills’ for a 21st Century Workforce: Can We Meet the challenge?” Manufacturing Institute, paper presented at the Workforce Board 2002 Workforce Development Conference.

¹⁴ Tim Stensager, The Franklin Pierce Model for Student Education and Career Planning, Technical and Career Education, Franklin-Pierce School District, January 2004.

¹⁵ See RCW 28A.655.060(3)(c) on educational pathways, RCW 28A.230.090 on minimum high school graduation requirements, and WAC 180-51-061 defining a culminating project for graduation. Each district defines the process to implement this graduation requirement, including assessment criteria. WAC 180-51-061 requires students to have an education plan for their high school experience, including what they expect to do the year following graduation. RCW 28A.150.210 Basic Education Act outlines the four education goals. Goal 4 relates to educational pathways.

on average than whites and have also experienced higher levels of unemployment. To turn these patterns around will require sustained collective and individual effort.

Women and girls have lower average earnings than males, even after achieving the same educational credential a difference largely due to women and girls enrolling in fields of study that prepare them for lower paying occupations than the fields generally chosen by men. This finding demonstrates the special importance of creative career guidance for girls so that they make the most informed choices about their futures and can take advantage of training for fields that both match their interests and are higher wage.

Only 13 percent of the participants in state-approved apprenticeship programs are women, and many apprenticeship programs have no female participants. Increased efforts in high school and postsecondary education counseling as well as in WorkSource Centers could increase awareness among women of the apprenticeship and nontraditional employment and training opportunities.

Navigation 101: Franklin-Pierce School District

Franklin-Pierce School District has made “guidance” a core subject for all high school students. The district has developed a student planning system that assures each student creates a meaningful post-school plan.

Twice a month the high school schedule is restructured as if there were a school assembly so that each high school teacher can lead a class of about 20 students in “Navigation 101.” Teachers use a “guidance curriculum” to teach the navigational and planning skills that students need to take advantage of learning opportunities while still in high school, and to plan and prepare for their futures. Students analyze their classroom results, assess personal interests and aptitudes, learn how to set goals, plan for course selection, learn about postsecondary education, training, and employment opportunities, build a portfolio of test results and exemplary work, among many other activities. The same teachers and students stay together in these advisory classes for the four years of a student’s high school career. At an annual Individual Student Planning Conference, each student works with his/her parents and advisor to discuss academic and career goals and select courses. Navigation 101 is enabling students and their parents to become “savvy consumers of education.”¹⁶

1.2.2 Expand partnerships with industries to market their career opportunities to youth and their parents.

Lead Organization: Office of Superintendent of Public Instruction.

Washington State K-12 Learning Goal 4 states that all students should “understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities.” It is essential that the K-12 system and its multiple partners continue efforts to increase the awareness among *all* students of the relationship between education and success in the world of work. This does not mean students will need to identify one career exclusively, it means students will have the opportunity to explore careers that attract them and learn early whether they are really interested or not. Offering students intensive learning experiences in career opportunities expands rather than restricts their options.

¹⁶ Tim Stensager, The Franklin Pierce Model for Student Education and Career Planning, Technical and Career Education, Franklin-Pierce School District, January 2004.

While high school students need access to career exploration and preparation, middle school students, and even younger students benefit from exposure to career exploration and work-based learning opportunities such as job-shadowing. Middle school students need to understand the connections between learning and the world of work to help them select the right high school programs that will prepare them for post-secondary education, training, and employment options.

Increased interaction between K-12 and the business community is critical if school administrators, teachers, and parents wish to help students make informed decisions about their career and program choices. School districts that have established partnerships know they can lead to more opportunities for work-based learning, and increased community involvement. Skill panels, convened by WDCs or other local agencies, can provide a forum for creating partnerships between K-12 and the business community.

Pierce County Careers Connection created a skills panel in IT to provide guidance and expertise to IT programs in Pierce County high schools, colleges, and universities. With membership from 10 different industries who wish to foster IT skills in young people, the panel has:

- Analyzed labor market information related to the IT industry for Pierce County.
- Developed eleven articulation agreements enabling students to transfer IT credits from high school to community colleges and four year universities.
- Developed an IT career guide that has been distributed to 34,000 Pierce County students.
- Developed a recruitment guide to attract people of color, young women, and nontraditional youth into IT careers.
- Cross-trained over 25 teachers in high-demand IT clusters.
- Created *InternMatch*, a free online internship system at www.InternMatch.org.
- Produced a report on the feasibility of IT apprenticeship programs in Pierce County.

One of the ways to increase students' awareness of the world of work and the skills needed to succeed is participation in leadership and entrepreneurship programs. Many Washington high schools participate in SkillsUSA local, state and national competitions. At these competitions students demonstrate occupational and leadership skills choosing from a range of 75 occupational skill areas. SkillsUSA programs also help to establish industry standards for job skill training in the classroom. Developing awareness of entrepreneurial opportunities can provide students with another career avenue to consider. The Governor's Entrepreneurship Support Plan includes "ensure that K-20 school prepare Washington residents and students to see entrepreneurial opportunities and to develop entrepreneurial businesses in the 21st century."¹⁷

1.2.3 Increase mentor and work-based learning opportunities for all students, and integrate these opportunities with students' individual career plans.

Lead Organizations: Office of Superintendent of Public Instruction and State Board for Community and Technical Colleges.

All students, including women, students of color, and students with disabilities, should be provided with on-site work-based learning opportunities that compliment their career plans.

¹⁷ Sheila Martin, Office of the Governor, *Washington's Entrepreneurship Support Plan*, 2001.

Such opportunities include internships, job shadows, traineeships, among others. As a number of studies indicate, work-based learning is more effective when followed up in the classroom and integrated into the curriculum, so students learn the relevance of learning to the world of post-secondary education and/or employment.¹⁸ According to a 2001 study by the Washington Institute for Public Policy, Washington high schools are developing activities to make learning more relevant to students, but more work is needed to ensure these activities reach *all* students.¹⁹

Mentoring is another important method of support to help students focus on their education and career development. An effective adult mentor can provide emotional support, guide learning and assist a young person to connect secondary education with future careers. This can be particularly beneficial to “at risk” students.²⁰

The Center for Law and Social Policy (CLASP) recommends developing quality training programs that will improve employment and earnings outcomes for youth. These should be offered “in a work-like setting; have high expectations for attendance and effort; support participation with mentoring and counseling; use hands-on instruction; address literacy and soft-skills issues; and train for occupations in demand in the local economy.”²¹

Employers need support and guidance on how to supply work-based learning opportunities. They need information and training on how to create model programs for work-based learning, and they need to be informed about DOL and Labor and Industries rules for employing minors.²²

1.2.4 Enhance educational attainment of career and technical education students with limited English proficiency.

Lead Organization: Office of Superintendent of Public Instruction.

State statutes require that students with limited English proficiency (LEP) be instructed, where practicable, in their primary language while developing competence in English.²³ Research has found that long-term academic performance of LEP students is better when they have significant exposure to instruction in both English and their primary language. A study by OSPI, however, found that most LEP students in the state receive little or no instruction in their primary

¹⁸ Provide full citations: *Mathematica, Jobs for the Future, CLASP – Leave No Youth Behind, National Youth Employment Coalition.*

¹⁹ Barbara McLain and Madeleine Thompson, *Educational Opportunities in Washington’s High Schools Under State Education Reform: High School Responses to Expectations for Change, Volume 2*, Washington State Institute for Public Policy, September 2001, 45, 46.

²⁰ Bettina Lankard Brown, *Mentoring and Work-Based Learning*, ERIC_NO: ED456332 Trends and Issues Alert No. 29, 2001.

²¹ Ibid 16 [CLASP]

²² The Working Teens web site contains rules and regulations for employers at: <http://depts.washington.edu/worksafe/>

²³ Office of Superintendent of Public Instruction, State Board of Education, and the Washington State Human Rights Commission, *Joint Equity in Education Policy*, May 2000. This policy also directs school districts to use resources that allow students and parents with limited English proficiency to interact in their primary language with school staff where practicable and using the support of other interested community groups and organizations to accommodate language diversity in school.

language.²⁴ The report found this is partially due to the lack of qualified teachers who can speak the primary language.

LEP students in Washington State speak a total of 181 different languages with over 62 percent speaking Spanish. Without primary language instruction many LEP students stay in the bilingual programs for an extended period of time and have lower test scores than their English-speaking counterparts. With more than 70,000 LEP students enrolled in the K-12 transitional bilingual instruction program and an increasingly diverse population, it will be important to implement efforts that assist LEP students to achieve higher levels of educational attainment by providing more primary language instruction through qualified teachers.²⁵

Objective 1.3: Increase the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high quality workforce education and training programs.

Strategies

1.3.1 Develop new programs and increase student enrollments in workforce training especially in high demand industry clusters such as health care and information technology.

Lead Organizations: State Board for Community and Technical Colleges and the Office of Superintendent of Public Instruction.

The Governor's Competitiveness Council recommends that educational programs expand to support "statewide and regional economic development strategies and consider forecasts of labor market supply and demand."²⁶ According to the Workforce Board's 2003 employer survey, about 67 percent of employers attempting to hire workers with a vocational credential report difficulty finding qualified job applicants. This labor market shortage affects more firms than the shortage at any other educational level. Labor market projections show that by 2004 there will be about 35,800 job openings per year for technicians, paralegals, health care workers, salespeople, and other jobs that require postsecondary education or training for more than one year, and up to but less than four years. Taking into account the workers that migrate into the state and the people with more than one job, Washington's economy will need about **32,200** additional workers with this level of training each year. The state's two-year colleges, private career schools, and apprenticeship programs, however, prepare only about **24,900** such new workers per year.

A report by the Northwest Policy Center at the University of Washington, finds job openings outstrip supply for nearly all occupational programs offered in the community and technical college system.²⁷ The report notes that the demand-supply gap for the better paying jobs is particularly acute.

²⁴ Peter Bylsma, Lisa Ireland, and Helen Malagon, *Educating Limited-English-Proficient Students in Washington State*, Office of Superintendent of Public Instruction, January 2002.

²⁵ Ibid 26.

²⁶ Washington Competitiveness Council, *Phase II: Draft Final Report*, January 2004.

²⁷ Dr. Paul Sommers and Deena Heg, *Matching Community and Technical College Professional/Technical Education Capacity to Employer Demand*, Northwest Policy Center, Institute for Public Policy and Management Daniel J. Evans School of Public Affairs, University of Washington, January 2000, i.

Over the past two biennia, the community and technical college system (including the private colleges) has received funding to increase enrollment by 7,032 students in the three mission areas of vocational training, academic transfer education, and adult basic skills education. This has helped to increase the ratio of supply to demand remaining for vocationally trained workers from 75 percent to 78 percent, with a gap of 22 percent remaining. The community and technical colleges have directed much of the increased enrollment to fields that are in high demand in the economy. Student enrollment in licensed practical nursing and registered nursing programs at community and technical colleges grew 11 percent and 16 percent respectively between 2002 and 2003.²⁸

The colleges have a good record of directing growth to meet economic demand. If we are to close the skills gap the state must fund more enrollment growth at community and technical colleges. We need to develop new programs. We also need to enhance program accessibility, for example, by greater use of infrastructure that is already in place for distance learning. In addition, there must be increased enrollment in high demand fields in secondary career and technical education in order to start young people on career pathways in high demand fields. And while the Workforce Board's focus is on jobs that do not require a baccalaureate degree, employers also stress the importance of targeting enrollment increases to baccalaureate and graduate programs that are needed for key industries.²⁹ Increased funding for enrollment at community and technical colleges and four-year institutions will require action from the Governor and the Legislature.

1.3.2 Partner with industries to provide facilities, faculty, and equipment in high wage, high demand fields.

Lead Organizations: State Board for Community and Technical Colleges and the Office of Superintendent of Public Instruction.

There are a wide range of capacity issues that need to be addressed in secondary and postsecondary career and technical education, especially in high demand fields such as construction and manufacturing trades, health care, IT, and communications. There is a shortage of facilities with up-to-date equipment and a lack of adequate space for some apprenticeship programs. Colleges and schools cannot recruit and retain the number of career and technical teachers needed, particularly in high demand fields. Schools and colleges salaries cannot compete with earnings in the private sector in IT, construction trades, and other high demand areas, so experienced teachers leave. The state needs to explore ways to provide sufficient compensation to attract and retain qualified faculty in high demand fields.

One place to turn to increase capacity is strong private-public partnerships. Businesses have facilities, computers, other equipment, and expert personnel to enhance the public resource base. Given the constraints on public budgets, public programs need to seek out employers who can help them increase capacity to meet labor market demand. In addition, program facilities should not lie idle when they could be put to use by other programs. Facilities should be shared

²⁸ State Board for Community and Technical Colleges, "Health Care Enrollment and Completions", October 2003.

²⁹ Washington Competitiveness Council Report, December 2001, 34. "...Of particular urgency is the need to address the shortage of top-quality Bachelors and Masters graduates, especially in science and engineering fields that support the state's strategic clusters."

between programs as appropriate. For example, other programs could utilize apprenticeship-training sites during the day since most of apprenticeship training occurs after work hours.

1.3.3 Improve efficiency of student transitions by granting credit for prior learning, developing further statewide agreements for transfer and articulation, and increasing the availability of applied degrees.

Lead Organizations: Higher Education Coordinating Board and the State Board for Community and Technical Colleges.

Many incumbent workers who find they must gain more education to move up a career ladder would benefit from expanded efforts to establish competency-based curricula and assessments. These could provide a vehicle for granting credit based on prior education or skills learned on the job. In the long-term, a competency-based system would facilitate transfer, though it will require a considerable shift from current practices. A first step is to facilitate transfer between two-year and four-year institutions by creating additional statewide degree agreements between two-year and four-year institutions.

Although Washington has developed an articulation system for recognizing most course work, many students attending two-year colleges could benefit from additional statewide articulation agreements.³⁰

In Washington only about 5 percent of students with workforce degrees transfer.³¹ Additional opportunities should be developed for students with workforce credits and degrees to continue their education to earn baccalaureate and advanced degrees.

Many students who complete associates degrees in technical fields study in an *applied* context and carry applied credits from technical programs but may not be able to use these credits for transfer purposes to complete a four-year degree. By offering baccalaureate level *applied degrees*, four-year institutions could recognize and grant credit for courses with an applied focus, and this would allow students to obtain additional qualifications when needed. In the same way that Washington State provides clear pathways for Associate of Arts to Bachelor of Arts, and now Associate of Science to Bachelor of Science, a similar pathway could be established for Associate of Applied Science to a Bachelor of Applied Science.

Employers have stressed their need for skilled workers in technical fields, including workers that have one or two years of education or training beyond a two-year program. A study by the Northwest Policy Center asked a diverse range of employers in four communities in the state what they are looking for in entry-level IT employees, and about the preparedness of entry-level applicants for IT positions. The report concluded that employers “need IT workers with a combination of the skills that no higher education program currently offers” and these include practical, hands-on skills, a broad range of problem solving, communication, and organizational

³⁰ Loretta Seppenen, *The New Transfer Student: Students Completing Job Preparatory Programs with a Transfer Goal*, State Board for Community and Technical Colleges, July 2001, the State Board for Community and Technical Colleges: Board Meeting, January and February 2002.

³¹ Ibid 37. A small number of students (about 250 per year) transfer from two-year to four-year institutions with technical credits based on individual articulation agreements. These are concentrated in particular programs (such as Associate Degree Registered Nurse) that can articulate with a Bachelors of Science in Registered Nursing.

culture skills, and opportunities for work experience to supplement their classroom education.³² Applied degrees would provide the range of skills that many employers are seeking.

Another transfer barrier exists between private career schools and public community and technical colleges. Students attending private career schools trying to enter the public system find they may have to duplicate coursework because the receiving community or technical college only accepts credits from regionally accredited schools, and most private career schools are nationally accredited.³³ Private career and technical schools must be part of the discussion on articulation and transfer arrangements to ensure the state policy support all students as they continue their education.

Insert 2004 legislation if it passes

Dual enrollment programs such as Running Start and Tech Prep enable high school students to articulate their studies with college programs. Via articulation agreements developed under the Tech Prep program, high school students are earning college credit in career and technical education courses that are delivered at high schools by high school faculty. Efforts should be extended under this program to design a full range of sequenced courses within career clusters that address high demand fields and provide an efficient and effective career pathway for students wishing to attain the appropriate credentials to meet their educational goals.

1.3.4 Expand apprenticeship training in emerging fields and expand preparation programs for apprenticeship in high demand clusters including construction.

Lead Organizations: Washington State Apprenticeship and Training Council at the Department of Labor and Industries.

Apprenticeship programs are constantly updated to keep pace with workplace changes and to meet the skill needs of employers. The two key components of apprenticeships are: workplace training under the supervision of a highly skilled mentor, and related supplemental instruction that occurs either at a community college or at a training trust facility that belongs to a workers' union. Apprenticeships provide an important means for meeting the needs of employers for skilled workers in high demand industries. Since employers only hire as many apprentices as they need, apprenticeship training automatically rises and falls in line with employer demand.

In recent years, the construction industry has had serious difficulty recruiting workers. **Forty-six percent** of construction firms that attempted to hire workers during the past year reported difficulty finding qualified job applicants. The average age of workers in many construction trades is about **50** and the average entering age is near **30**. Workers are retiring without young apprentices being trained to replace them.

³² Paul Sommers and Melissa Quall, Re-Inventing Information Technology Education, Report written for the State Board for Community and Technical Colleges by the Northwest Policy Center, Daniel J. Evans School of Public Affairs, Seattle, December 2001. At least 15 other states are offering applied degree options in Science, Aviation Maintenance Management Technology, Semiconductor Technology and Software Technology Applications. Eastern and Central Washington University are working on developing applied degrees while Evergreen State College and Seattle Pacific University already offer degrees for students with technical AA degrees.

³³ Ronald Phipps, *Transfer of Credit from Nationally Accredited to Regionally Accredited Institutions*, Career Training Foundation, December 2001, and Personal communication with Gena Wikstrom, Executive Director, Washington Federation of Private Career Schools.

Apprenticeship programs are not limited to the construction trades, but have been expanded to many high demand occupations, including health care.³⁴ The Pierce County Health Services Careers Council (the local health skills panel), has worked closely with industry member and the Apprenticeship training council to establish three apprenticeship programs in health care occupations: the Health Unit Coordinator, and two imaging specialties, Computed Tomography and Magnetic Resonance Imaging. These are the first of their kind in the nation. Recognizing our leading role in developing health care apprenticeships, DOL in partnership with the Center for Adult and Experiential Learning has selected Washington to pilot apprenticeships for specialized Certified Nurses and Licensed Practical Nurses.

Apprenticeship programs are rigorous courses of study and applicants usually need to spend some time preparing to meet the challenging entry requirements. Preparation programs prepare individuals to enter registered apprenticeship programs or gain employment in supportive roles in industries that use apprenticeship. In Washington such programs are small, and can serve a relatively small number of participants. They operate in an uncertain funding environment and, as a result, programs move in and out of operation every year. Much of the funding is categorical, targeting specific population groups, which reduces program flexibility as well as the ability to get to a scale that can address the skills gap meaningfully. Community and Technical Colleges and Community-Based Organizations could provide these types of programs and expand access to a wider population than are currently served. For example, dislocated workers, incumbent workers and individuals lacking English language proficiency could benefit from these opportunities.

WIA can support clients in pre-apprenticeship and apprenticeship programs. WIA eligible youth can receive WIA funded literacy and numeracy instruction and occupational skills training to prepare for apprenticeship application requirements and tests. WIA eligible adults and dislocated workers may qualify for a range of services, based on an individual's employment and training plan which could include pre-apprenticeship services, as well as occupational skills training, and supportive services funds to pay for tools and other job related equipment.³⁵

The Electrical School to Apprenticeship is a pre-apprenticeship program that prepares high school students to meet the rigorous application requirements of an electronics apprenticeship. During the nine-week summer program students attend workshops and get workplace experience at a local electrical company with pay of \$8.25/hour. During senior year students continue taking workshops and work part-time with an increased rate of pay of \$8.50/hour. After graduation students have a job and may work full time in pre-apprenticeship work with pay that grows to \$9/hour.

³⁴ The Office of Apprenticeship Training and Employer Labor Services at the Department of Labor is encouraging the expansion of apprenticeships to address skill needs in occupations not traditionally apprenticed. According to a September 2001 General Accounting Office report, it will be necessary to first identify apprenticeable occupations in industries that have a shortage of skilled workers. General Accounting Office Report, *Registered Apprenticeships: Labor Could Do More to Expand to Other Occupations*, September 2001. GAO-01-940, 6.

³⁵ Martin McCallum, "WIA Title I-B and Apprenticeship Training" Policy Brief, January 2004.

1.3.5 Enhance “employability skills” training in workforce development programs.

Lead Organizations: Office of Superintendent of Public Instruction, State Board for Community and Technical Colleges, and Workforce Development Councils.



Every two years the Workforce Board conducts a survey of Washington State employers regarding workforce training needs and practices. In fall 2003 employers reported difficulty finding applicants with adequate “employability skills.” For example 87 percent of employers who had difficulty finding qualified job applicants had difficulty finding applicants with adequate problem solving or critical thinking skills. This represent 18 percent of all firms in the state (see figure 

Figure 

Employers Report Job Applicants Lack the Following Skills:	Among Firms that had Difficulty Finding Qualified Job Applicants	Among All Firms
	2003	2003
Teamwork skills	75%	16%
Problem solving or critical thinking skills	87%	18%
Communication skills	83%	20%
Positive work habits and attitudes	83%	21%
Ability to accept supervision	69%	16%
Ability to adapt to changes in duties and responsibilities	79%	17%
Computer skills	72%	14%
Reading skills	38%	8%
Writing skills	63%	14%
Math skills	62%	14%
Occupation-specific skills	91%	21%

These finding are consistent with national research. In 1992 the Secretary’s Commission on Achieving Necessary Skills determined the skills young people need to succeed in the world of work with the fundamental purpose to encourage a high-performance economy characterized by high-skill, high-wage employment. In 2004, employers continue report the need for improving these skills. Apart from basic literacy, computational, and thinking skills necessary to put knowledge to work, high-performance workplaces also require competencies such as the ability to manage resources, to work amicably and productively with others, to acquire and use information, to master complex systems, and to work with a variety of technologies.³⁶

1.3.6 Increase the number of individuals prepared to teach students for high wage, high demand fields.

Lead Organizations: Office of Superintendent of Public Instruction and State Board for Community and Technical Colleges.

³⁶ Information on the Secretary’s Commission on Achieving Necessary Skills, Department of Labor, is available at: <http://wdr.doleta.gov/SCANS/>

Education and training institutions have difficulty attracting and retaining high quality faculty to teach in high wage, high demand fields, because of the opportunities available outside teaching. In the high demand field of health care, for example, one of the major problems for community colleges is that instructors must have a Masters qualification, and Masters qualified health care personnel can earn more outside teaching. This is also a problem when recruiting secondary and post-secondary career and technical education teachers, that may be hard to attract away from higher paying industry jobs. With limited state funding for salaries, community colleges and high schools will need to find ways of attracting and retaining teachers.

Recognizing that high schools compete with industry to recruit teachers in specialized fields, the 2001 Legislature adopted criteria for three alternative routes to certification designed for degreed professionals such as engineers or mathematicians interested in a career change and for current district employees who are classified instructional staff. In 2002-03 151 interns participated in the Alternative Routes program, and became fully certified teachers in subject and/or geographic shortage areas.³⁷ The Professional Educator Standards Board is also developing alternative routes to teacher endorsements to help more teachers to become classified as “highly qualified teachers” as required by the No Child Left Behind Act.³⁸ Another option for overcoming this obstacle is for educational institutions to partner with employers so that employees are released to teach part-time.

The No Child Left Behind Act raises another concern for career and technical education programs. Currently, school districts may employ teachers for career and technical education programs based on their industry experience and they are not required to have a Bachelor of Arts degree. According to the No Child Left Behind Act, teachers without a Bachelor of Arts degree are not classified as “highly qualified.” This could provide a disincentive to school districts to provide career and technical education programs.

The teacher shortage issue must be addressed by a variety of institutions and stakeholders that extend beyond the workforce development system. Workforce development partners, however, must do their part to solve the problem.

1.3.7 Highlight and replicate best practices from around the state and nation in career and technical education.

Lead Organizations: Office of Superintendent of Public Instruction and State Board for Community and Technical Colleges.

Workforce development partners should draw on the experiences of initiatives with proven success. By studying the best practices that are occurring around the state, nation and globe, workforce development program staff can reproduce some elements while adjusting others to suit local requirements.

³⁷ Professional Educator Standards Board annual report <http://www.pesb.wa.gov>; Marna Miller, *Alternative Routes to Teacher Certification in Washington State: Evaluation Update*, Washington State Institute for Public Policy, February 2004.

³⁸ The Elementary and Secondary Education Act of 2002, Section 1119(a)(1)(2) and Section 9101(23), known as “No Child Left Behind” requires that parents be informed if their students’ teachers do not meet the requirements to be classified as “highly qualified teachers.”

**Governor's Award for Best Practice in Workforce Development
Nursing Clinical Placement District #1**

A major contributing factor to the shortage of nurses is the lack of available clinical sites. Students are required to complete a certain number of clinical hours in order to complete their program and apply for a license. With the assistance of a High Demand Grant from SBCTC, Tacoma Community College collaborated with 14 other educational institutions to coordinate clinical placements at more than 350 workplaces. Partners use a web-based matrix to check availability and reserve placements. In its first year of operation the collaboration enabled an expansion of placements of 26 percent.

Objective 1.4: Increase education and training for older workers and retired individuals who want to return to work.

Strategy

1.4.1 Improve access to opportunities in education and specialized training for seniors and retired individual who want to return to work.

Lead Organizations: Aging and Long-Term Care Services

Washington is second only to Florida and Texas in terms of growth in the proportion of workers age 45 and older. The number of older workers in the state will rise dramatically; one out of every five workers will be 55 or older by 2025, as opposed to roughly one in ten in 2000.³⁹ In addition to older workers delaying retirement, some retirees will either want to return to work or will need to return work to supplement their income. Older workers and retirees need access to education and specialized training to both mitigate the shortage of skilled workers in the state's economy, and improve their prospects for retaining or obtaining employment.

The Committee on Economic Development has stated that older workers themselves must acquire and maintain skills and that employers should recognize the value of training their older workers and ensure equal access to training for them. In addition, the report recommends that higher education and other training institutions recognize the need for work-oriented learning among older Americans and expand their offerings to a largely untapped customer market.⁴⁰ The need for training in technology, literacy, and customer service were identified as the three most critical issues facing older workers at a 1999 conference of the National Association of Older Worker Employment Services. Other barriers include limited English proficiency and isolation in rural areas.⁴¹

The Senior Community Service Employment Program, funded under Title V of the federal Older Americans Act, serves persons with low incomes who are 55 years or older and who have poor

³⁹ Washington State Office of Financial Management and Washington State Employment Security Department, *2001 Long-Term Economic and Labor Force Forecast for Washington*, April 2001. Washington is second only to Florida and Texas in terms of growth in the proportion of workers age 45 and older. Frederica D. Kramer and Demetra Smith Nightingale, *Aging Baby Boomers in a New Workforce Development System*, The Urban Institute, Report Prepared for the U.S. Department of Labor, Employment and Training Administration, January 2001.

⁴⁰ U.S. Committee of Economic Development, *New Opportunities for Older Workers*, Research and Policy Committee New York, New York, 1999, 99-045902, 13.

⁴¹ Division of Older Worker Programs, *The Nine "Best Practices" of Highly Effective SCSEP Projects* Employment and Training Administration, United States Department of Labor, August 2001.

employment prospects. The program aims to both provide useful community services and foster individual economic self-sufficiency by providing education and training, and placement in unsubsidized jobs. National program statistics show high participation rates among women (nearly three out of four participants), African Americans, and Hispanics.⁴² There are long waiting lists for participants and host agencies in Washington. This program fulfills only a fraction of the demand for such services. WorkSource Centers and partners could increase awareness among frontline staff of the training needs of older workers and individuals wishing to return to work. In addition employers should be encouraged to recognize the positive attributes of older workers such as their industry-specific skills, work ethic, and general knowledge and experience.

⁴² Division of Older Worker Programs, *The Nine "Best Practices" of Highly Effective SCSEP Projects* Employment and Training Administration, United States Department of Labor, August 2001.

Challenge Two: Incumbent and Dislocated Workers

Goal 2: To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.

Key Performance Measures

New number in July

1. The number of incumbent workers that receive publicly supported customized training linked to specific job needs of employers and the results of the training: **2,323** incumbent workers trained, an increase of about 1,000 from 2 years ago.
2. The ratio of dislocated workers' earnings compared to their earnings prior to dislocation (with separate targets for dislocated workers from low wage and high wage jobs): 82 percent earnings replacement among dislocated workers that participated in a workforce development program; 110 percent earnings replacement among dislocated workers from lower wage jobs; and 71 percent among dislocated workers from higher wage jobs (lower wage jobs are jobs with earnings below the median, and higher wage are those above the median). The earnings replacement rates two years ago were mostly the same; they were lower among workers dislocated from low wage jobs.
3. The length of time between worker dislocation and reemployment in a suitable job: 29 months median length of dislocation among dislocated workers that participated in a workforce development program.

The Issue for Goal 2:

"No state can prosper with a poorly educated workforce, nor can it continue to prosper if its workforce fails to learn continuously... Every stage of life presents opportunities for learning that, if pursued, build a strong foundation for future achievements. In like manner, missed opportunities create deficits which tend to persist and accumulate over time."

– Council for Adult and Experiential Learning⁴³

Incumbent and dislocated worker training is part of a continuum of workforce development. By enhancing the skills of workers who are currently employed, we can enable them and their employers to be more competitive, and we can sometimes prevent dislocations.

One of the most effective ways to increase the competitiveness of employers is to provide training customized to the specific needs of employers. The Governor's Competitiveness Council has endorsed this strategy. Because such training is designed to meet specific employer needs, it increases the training's efficiency and effectiveness. Unfortunately, Washington has ranked near the bottom in per capita expenditures among the 47 states with job-linked

⁴³ Richard A. Voorhees and Paul E. Lingenfelter, Adult Learners and State Policy, Council for Adult and Experiential Learning, February 2003, page 1.

customized training. According to a 1998 National Governors Association survey (the most recent national data), states spent over \$575 million per year on job-linked training. Washington was last among the 47 states that support this type of training, investing only \$558,000 per year in state dollars. Since that time, Washington has increased its investment in customized occupational skills training. The Legislature increased JSP from \$1.14 million to \$2.95 million, and the Governor has directed \$3.2 million in WIA funds to customized training for incumbent workers.

If we are successful in upgrading the skills of incumbent workers, we will have gone a long way to prevent worker dislocation. But worker dislocations will not disappear. Many workers will still lose jobs and experience difficulty in finding new employment at similar wages because they lack the latest skills desired by growing businesses. While employment in Washington increased dramatically between 1996 and 2000, the number of dislocated workers also increased. The churning of jobs and skills is an inherent feature of a modern growing economy. In 2001 the nation entered a recession and Washington's unemployment rate became the highest in the United States. We are experiencing increasing worker dislocations as well.

Dislocated workers (individuals terminated or laid off who are unlikely to return to employment in their previous industry because of diminishing demand for their skills) typically suffer severe negative impacts. A study of worker dislocation conducted for the Workforce Board found that Washington workers who are dislocated experience a permanent loss of 15 percent of their earnings compared to similar workers who are not dislocated.

The extent of earnings loss relates directly to how long dislocated workers were with their previous employer. Long-tenured workers are more likely to experience longer spells of unemployment and their new jobs are likely to pay substantially less than their old jobs. For each year of service, earnings losses rise at a rate of between 1 and 2 percentage points. Workers who have held their job for less than a year typically regain their previous earning level, while workers who had been on their job for 20 years typically suffer a 20 to 40 percent permanent decline in earnings.

For some time businesses have moved production jobs to other nations where labor costs are lower. Recently, it appears firms have increasingly moved technical positions off-shore. According to McKinsey Global Institute, offshoring is expected to grow at the rate of 30 to 40 per cent a year over the next 5 years, with the number of U.S. jobs offshored estimated to grow from 400,000 jobs today to roughly 3.3 million jobs by 2015, accounting for some \$136 billion in wages. The McKinsey paper also estimates that 473,000 jobs from the IT industry will go offshore over the next 12 years, representing 8 percent of all current IT jobs in the country.⁴⁴

⁴⁴ The paper goes on to allay fears by noting that over 70 percent of jobs are composed of services such as retail, restaurants and hotels, personal care services that cannot be offshored. McKinsey Global Institute, "Offshoring: Is it a Win-Win Game?" McKinsey and Company, August 2003. Presented at the NGA Workforce Development Policy Forum.

Objective 2.1: Increase economic competitiveness and prevent dislocation by expanding customized incumbent worker training.

Strategies

2.1.1 Increase publicly supported customized incumbent worker training, and provide incentives to both employers and employees for this type of training.

Lead Organizations: Workforce Training and Education Coordinating Board.

Little of Washington's small pot of customized training dollars is spent on upgrading the skills of incumbent workers. The only state program to defray the cost of upgrading *occupational* skills of current workers is JSP, administered by SBCTC. Employers must provide a dollar for dollar match for the public funds. JSP can also provide training for prospective employees before a new plant opens or when an existing firm expands. In comparison, other states spend an average of 52 percent of their customized training funds on incumbent workers.

In 2003 the Legislature increased funding to expand JSP in the 2003-05 biennial budget. The biennial budget for JSP is \$2.95 million. This amount is still far below the amount spent by other states our size. Iowa, with the largest program on a per capita basis, expended \$46 million in 1997. In 2001, the Washington Competitiveness Council recommended that the capacity of JSP be increased.

Iowa's funding for customized training is supported by government bonds. In 2004 Senate Bill 6497 proposed establishing a system of state supported customized training for incumbent workers to be funded by the Economic Development Finance Authority's "Special Obligation Bonds." The bill did not pass.

In order to increase funding for customized occupational training the state is turning to federal funds. The Governor is directing that a portion of the state set-aside for WIA be spent for this purpose. Using WIA funds, ESD created the Industries of the Future Skills Training program, and Targeted Industry Partnership grants to provide customized training for workers. State agencies and local WDCs are also aggressively seeking other federal grants as they become available.

Besides JSP there are other public funds directed to job-linked customized training. The community and technical colleges' Pre-Employment Program under WorkFirst also provides customized training linked to specific job openings. This program, however, does not offer any training to incumbent workers. The colleges' Workplace Basic Skills Program, also part of WorkFirst, provides customized literacy education for incumbent workers.

Nationally, most estimates are that employers invest about 2 percent of payroll on employee training. According to a survey conducted by the American Society for Training and Development, total training expenditure per employee rose from \$649 in 2000 to \$826 in 2002.⁴⁵

⁴⁵ Brenda Sugrue, *The 2003 ASTD State of the Industry Report*, The American Society for Training and Development, Virginia, 2003.

As Jerry Jasinowski, the President of NAM, stated:

For the United States to maintain its strong leadership position in a growing economy, industry must make greater efforts to prepare workers for the increasing challenges of the high-tech era. This may even require them to substantially increase the percentage of payroll that they currently invest in those activities.

The Board of Directors of NAM have called on all 14,300 member companies to invest three percent of payroll on training. Studies have found that investments in employee training pay off in terms of increased productivity and profits. According to a 1995 study by the University of Pennsylvania, investing in the skills of workers has more than twice the impact on productivity as investing in equipment or facilities.

In 2001 Washington obtained a DOL two-year \$750,000 *Incumbent Workers Skill Shortage Demonstration Grant* targeted towards migrant and seasonal farm workers. An industry skill panel, convened by local WDCs, has enabled industry to work with area colleges in the creation of training curriculum. The panel integrated federal resources with two state grants: \$65,000 to support the skill panel, and another \$500,000 (Skill Training for Incumbent Worker Program) to provide further funds for training. In addition private industry has provided \$1.5 million in matching resources. Over 785 incumbent workers have received training, and 50 industry work-sites are participating. The program is enhancing job retention and promotion for migrant and seasonal farm workers within the industry and is yielding productivity increases at the same time.⁴⁶

The colleges also contract with employers to provide customized training, often for incumbent workers, for a fee. According to the Workforce Board's 2003 survey of employers, in the last 12 months, 32 percent of employers have hired new employees who were trained in community and technical college programs, and 11 percent of Washington businesses have an arrangement with a community or technical college to provide classroom training to their current workers. Except for the few firms supported through JSP, this was contracted training paid for entirely by the firm, not supported by state dollars. According to the survey results, almost 95 percent of firms who use a community or technical college to train their current workers report they are satisfied with the training their employees receive.

⁴⁶ Mike Gempler, Curtis Kaple, David Klick, Pam Lund, Eastern Washington Agriculture and Food Processing Partnerships, presentation, 2003.

**Best Practice:
Skilled Training for Incumbent Workers**

After the events of September 11, 2001, congress created the Transportation Security Administration (TSA) to take over security screening at our nation's airports. As a result, nearly 1,000 security screeners at SeaTac Airport faced layoffs; 62 percent of those affected had limited English proficiency. Port Jobs, which operates the Airport Jobs Center at SeaTac Airport, launched a program to improve the skills of the screeners. South Seattle Community College (SSCC) developed a screener-specific Vocational English-as-a-Second Language curriculum and taught classes on site at SeaTac. On site workshops six days a week enabled 650 participants to obtain the computer skills required to complete the TSA's online application forms and assessment process, and learn interviewing strategies.

As a result of the project 50 percent (400) of the incumbent screeners assessed by TSA passed and retained their jobs, significant when compared to the 10 percent retention in similar urban airports nationwide.

The project also focused on serving dislocated screeners. The King County Dislocated Workers Program contracted with SSCC and Port Jobs to assist in providing intensive services, including access to retraining services and employment, and the Worker Center hired dislocated screeners to conduct peer outreach and share resource information.

Objective 2.2: Enhance business expansion and retention strategies.

Strategies

2.2.1 Market retention services to at-risk businesses and their workers.

Lead Organizations: Department of Community, Trade and Economic Development and Employment Security Department.

DCTED's Business Retention and Expansion program works to retain and expand manufacturing and processing firms and to reduce the number of business closures, failures, and out-of-state expansions that could result in significant loss of jobs. The program identifies threatened manufacturing and processing companies and provides problem solving and technical assistance to the firms. The program uses early warning/business surveys, keeps abreast of industry developments, and helps build the capacity of local economic development councils. The program also focuses on business retention in rural counties. Participating counties identify their significant businesses and industries. A community taskforce develops a plan to address barriers identified by local business.

Washington State's investment in business retention and expansion services is significantly less than the majority of states. We need to expand services to other industries in the state beyond manufacturing and processing. We also need to link these services with efforts to develop and upgrade worker's skills and rapid response services to firms announcing impending layoffs. Again, private-public partnerships, discussed under Goal One, could facilitate the state's business retention and expansion services and help with the linkages to workforce development.

Objective 2.3: Return unemployed workers to suitable work in as short a time as possible.

Strategies

2.3.1 Continue to develop dislocated worker services that are coherent, flexible, and accessible, and continue best practices such as rapid response labor-management committees.

Lead Organization: Employment Security Department and Workforce Development Councils.

In order to effect a coherent policy for serving dislocated workers, all state and federally funded programs that serve dislocated workers will implement consistently the following general principles across the state:

General Principles for Serving Dislocated Workers

1. Prevention is the best strategy. The state's first priority is to attempt to prevent worker dislocations from occurring. Examples of specific prevention strategies include: incumbent worker training and business and job retention assistance.
2. When dislocation cannot be prevented, the state will mobilize resources as quickly as possible. The state's response will be coordinated, involve labor and management, and will be based upon best practices.
3. Frontline staff, including staff at WorkSource Centers, will provide knowledgeable and courteous services to dislocated workers. Frontline staff will be familiar with the full range of state and federal dislocated worker program options and resources and will immediately link workers with sources for further information.
4. The state will offer the highest quality labor market information, consumer reports on training providers, and other career planning information.
5. The state will use comprehensive assessments to quickly identify dislocated workers who may require intensive or training services in order to be successfully re-employed in suitable employment.
6. The state will offer dislocated workers high quality retraining in skills in high demand. The retraining will be accessible, timely, and based on industry standards.
7. Employment and education staff will collaborate in developing individual training plans.
8. The state will offer public financial assistance to help cover the living expenses of dislocated workers while they are in retraining, subject to funding and statutory restrictions.
9. Programs will be complementary, flexible, and consistent—avoiding contradictory rules, definitions and practices.

The major federal program for dislocated workers, Title III of the Job Training Partnership Act (JTPA) became part of WIA, Title I-B, on July 1, 2000. Washington frequently uses these federal funds in tandem with the state's Worker Retraining Program. The state dollars pay the state's portion of the cost of the actual skills training and related support services (e.g., child care), while the federal dollars pay for tuition and other services. Federally funded services include rapid response services to employers and workers, providing assistance as soon as pending layoffs are known. Best practices include pre-feasibility studies of options other than closures and layoffs, and the establishment of labor-management committees that bring together

the resources and perspectives of both parties to planning, oversight, and problem solving. Peers can bring special knowledge and better rapport to dislocated worker counseling. For workers who become dislocated due to plant closings, ESD and WDC services deliver on-site reemployment services. Federally funded services also include job search assistance such as career counseling, classes on resume writing and job interviews, and referrals to job openings.

While we are working to upgrade the skills of incumbent workers and enhance the competitiveness of firms within critical industries, we must pay attention to businesses that are at risk of closure.

For the purpose of enhancing the early warning system, ESD has developed a weekly early warning "red flag" report to share information with key state and local leaders on potential and actual worker dislocations.

2.3.2 Provide retraining in high demand fields.

Lead Organization: State Board for Community and Technical Colleges.

The state has continued its investment in dislocated worker training (\$64.122 million for fiscal years 2002 and 2003) through the Worker Retraining Program at community and technical colleges and private career schools. The colleges and schools provide training in basic skills and literacy, career and technical education, and related or supplemental instruction for apprentices.

Students who qualify for the program may receive financial assistance that can help with tuition, as well as offset the costs of child care, and transportation. The 2000 Legislature enacted the Training Benefits Program that offers dislocated workers unemployment insurance benefits for up to 52 weeks (depending on their industry) while they are in retraining. Since July 2002, forty million dollars in additional benefits are available per biennium.

The Workforce Board study found that retraining can have a substantial positive impact on worker earnings, but this impact depends on the type of training. Training for high wage fields increases worker earnings (by an average of \$3,200 per year) while training for low wage fields typically has a negative impact on earnings. That is, if training is in low wage fields, dislocated workers are better off seeking immediate employment. Time spent in training is time spent out of the labor force where skills and experience can be gained on the job. To increase the net benefit of retraining, training should be in high wage fields and provided in as short a time as possible while still preparing workers with the skills necessary for their new careers. There must be better career counseling prior to enrollment in training so dislocated workers can make choices that will sustain their level of earnings.

Challenge Three: Wage Progression for Low Income Workers

Goal 3: To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

Key Performance Measures:

New numbers in July

1. The percentage of students entering ninth grade class of common school students who graduate from high school: OSPI estimates a statewide “on-time” graduation rate for the Class of 2002 of 65.7 percent.⁴⁷
2. The percentage of participants in workforce development programs whose earnings during the second year after program participation can support their family above the poverty level. (This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.) Among program participants with individual earnings below the family poverty line before starting 53 percent had individual earnings above the family poverty line during the second year after participation (50 percent for women, 48 percent for people of color, and 43 percent for people with disabilities) (first time measure).
3. The median increase in earnings and hourly wages during the first three years after participation in workforce development programs. (This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.) Among program participants with individual earnings below the family poverty line before starting, median earnings during the third year after participation were 42 percent higher than during the first year after participation, and median hourly wages were 20 percent higher. For women, earnings were 40 percent higher, and hourly wages were 19 percent higher. For people of color, earnings were 39 percent higher and hourly wages were 17 percent higher. For people with disabilities, earnings were 68 percent higher and hourly wages were 18 percent higher (first time measure).

The Issue for Goal 3:

In designing strategies to help low-income workers and youth experience wage progression (increases in wages and earnings over time), we must take into account the different populations we are serving. Certain subpopulations are over-represented among the economically disadvantaged: people with disabilities, people of color, and women.

⁴⁷ “On-time graduation rate” is the percentage of entering ninth graders that graduate on time with their class.⁴⁷ This OSPI estimated on-time graduation rate is in line with the findings of another study of high school graduation rates, for the Class of 2001, conducted by the Manhattan Institute. It calculated that Washington’s graduation rate is 66 percent.

According to the 2000 Washington Population Survey, there were 601,000 adults (14 percent of Washington adults), age 21 or older, with household incomes at or below 175 percent of the poverty line. Many of the economically disadvantaged, 53 percent, were employed, but in low-paying jobs. Improving the earning potential of this group will not only increase their standard of living, but also improve the economic prosperity of the whole state.

While the rate of Washington's population growth is slowing overall, 26 percent of the net additions to Washington's workforce (people entering minus people leaving) from 1990 to 2020 is expected to be people of color. The Hispanic population more than doubled during 10 years, reaching over 440,000 in 2000. For a variety of reasons, including racial prejudice, people of color have obtained less education on average than whites and have traditionally experienced higher levels of unemployment. The percentage of people of color who are disadvantaged is nearly double the percentage in the whole population.

People with disabilities represent another under-utilized human resource. Approximately 138,000 youth and 557,000 adults have work-limiting disabilities. And, according to a 1996 survey of 2,500 Washington citizens with disabilities, many feel that their skills are unused or under utilized. Only 38 percent of people with disabilities have full- or part-time jobs. Of the people employed part-time, nearly half say they want full-time work. About one-third of those employed say their jobs do not use their skills well.

Women who are single parents, and their children, also often face economic hardships. Eighty percent of all adults receiving Temporary Assistance to Needy Families (TANF) are women. To the extent that women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support themselves and their children or offer opportunities for advancement, these families will continue to remain within the boundaries of poverty. Women, however, tend to enter fields of study for occupations that pay less than the fields dominated by men.

For adults who are unemployed, we must apply strategies to help them get employed and to enable them to stay employed, because we know that continuous employment is usually accompanied by steadily rising wages.

For low-income individuals, we know that occupational skills training increases wage progression beyond the level achieved by continuous employment alone. We must overcome financial, logistical, and access barriers that prevent disadvantaged people, including the working poor, from obtaining occupational skills training.

"Eight in ten people strongly agree that, "As a country, we should make sure that people who work full-time should be able to earn enough to keep their families out of poverty."
- Jobs For the Future 2000.

Objective 3.1: Reduce drop-out rates and increase high school graduation rates.

Strategies

- 3.1.1 Ensure all youth achieve the necessary core skills as established by industries in their chosen career pathway, including the achievement of the high school diploma or entrance into a postsecondary education or training program.**

Lead Organization: Office of Superintendent of Public Instruction.

OSPI estimates a statewide “on-time” graduation rate for the Class of 2002 of 65.7 percent. “On-time graduation rate” is the percentage of entering ninth graders that graduate on time with their class.⁴⁸ This OSPI estimated on-time graduation rate is in line with the findings of another study of high school graduation rates, for the Class of 2001, conducted by the Manhattan Institute. It calculated that Washington’s graduation rate is 66 percent. Washington ranks 38th nationally in helping students graduate on time.

Alternative programs are an option for students who drop out before obtaining a high school diploma.⁴⁹ Alternative programs can employ learning practices like those now starting in high school to re-engage young people in learning.⁵⁰ Under WIA, local WDCs have established Youth Councils that are applying their resources to prevent dropouts and re-engage students in learning. Youth Councils can support the creation of partnerships among school districts, the employer, community, and non-profit community-based organizations to develop broad-based strategies to assist youth to be successful in, and beyond high school.

To prevent duplication and increase efficiency, high schools and alternative programs should coordinate efforts to ensure all students achieve either a high school diploma or entry into a postsecondary education or training program. Efficiencies can be obtained, for example, by coordinating their work with employers to develop work-based learning opportunities and to market promising careers. Local WDCs can work with their local K-12 system, their WorkSource operators, and their contractors for youth services to ensure that resources are maximized.

For special education students who exit high school without a high school diploma, high schools need to ensure these students achieve the necessary core skills to gain entry into employment or postsecondary education and training. As a competency-based system of assessment emerges to replace seat-time, the K-12 system will need to revisit how success is measured for all students.

⁴⁸ See also Office of Superintendent of Public Instruction paper, “Graduation and Dropout Statistics for Washington’s Counties, Districts, and Schools, School Year 2001-2002,” June, 2003.

⁴⁹ Alternative programs include: alternative learning experiences’ where students are under a contract to complete individual plans based on achieving competencies; alternative high schools that operate under the same fiscal conditions as other public high schools within a school district but employ alternative learning strategies; alternative programs within high schools that provide alternative learning strategies; and high school academic and vocational programs community and technical colleges.

⁵⁰ Dynarski, Mark et al., *Impacts of Dropout Prevention Programs*, Mathematica Policy Research, Inc., 8014, June 1998. This study found that intensive alternative courses at the middle school level reduced the dropout rate.

The 2002 legislation, Engrossed Senate Bill 6456, authorized the Academic Achievement and Accountability Commission (Commission) “to set performance improvement goals for certain disaggregated groups of students and dropout goals.” Just prior to the passage of state law, the federal No Child Left Behind Act passed requiring states to adopt goals for high school graduation rates and use the results to determine whether adequate yearly progress is being made. The Commission set a minimum graduation target rate of 73 percent for all students until the year 2004 when the goal will be 85 percent. This target does not have to be met separately for each of the sub-groups of racial and ethnic minorities, economically disadvantaged, limited-English proficient, and students with disabilities. The Commission also agreed to revisit the graduation rate goals in the fall of 2004 when better data is expected to be available.⁵¹

Increasing high school graduation rates requires a wide range of measures including preventative measures to assist students as early as possible. While the issue belongs to all of K-12 education the workforce development programs also play a significant role. Increasing “on-time” graduation rates as required by *No Child Left Behind* is an important goal, but students who have dropped out and then re-enter a workforce development program are often so far behind they cannot graduate “on time.” It is still critical that we assist these young people in obtaining a high school diploma even though it will not be “on-time” with their age cohort.

Finally, it must be stressed that a high school diploma alone does not generally enable an individual to obtain a family wage job. Most family wage jobs require significant postsecondary training. In developing strategies to enable disadvantaged people to achieve self-sufficiency, we must not lose sight of this basic fact.

A priority issue identified at a **Statewide Tribal Education Summit** was the high truancy and drop-out rates among Native students. At the summit, native American students, tribal leaders, native American educators, and state agency representatives created an action plan to meet this and other challenges. The plan includes developing partnerships between tribes and school districts, encouraging tribal community and parental involvement in education, and communicating tribal positions on education policy to school districts and state leaders. The summit was organized by the Governor’s Office of Indian Affairs and OSPI, and sponsors included the Confederated Tribes of the Colville Reservation, the Muckleshoot, the Squaxin Island, the Skokomish, the Jamestown S’Klallam, and the Makah tribes.

⁵¹ Academic and Achievement Accountability Commission, *Annual Report*, OSPI, December 2003, pp 4-6, available at <http://www.k12.wa.us/accountability/Reports/2003>. New goals are expected to be developed by XX.

3.1.2. Develop local community-school partnerships that plan and implement drop-out prevention and retrieval initiatives for “at-risk” youth, including effective after school hours and summer programs.

Lead Organizations: Workforce Training and Education Coordinating Board, Office of Superintendent of Public Instruction, and Workforce Development Councils (Youth Councils).

In 2004 the Workforce Board, ESD, and OSPI launched an initiative to help students finish school. The initiative is enabling workforce development councils, social service partners, and targeted school districts to form teams that implement dropout prevention and intervention demonstration projects in areas with high concentrations of at-risk youth.⁵² The *Drop-in* teams are utilizing \$670,000 of WIA youth allocations to leverage Basic Education Act funds.

The efforts include the following activities:

- **Form teams** that advocate for and provide youth development services for at-risk youth in a targeted school district community.
- **Develop a comprehensive plan** that identifies existing dropout prevention and intervention programs, services and activities available, and gaps in service.
- **Leverage WIA funds with Basic Education funds** via agreements between WDCs and school districts.
- **Provide new services** that address an identified gap in the plan, based on best practice models that comply with Washington Administrative Code for alternative schools, alternative learning experiences, or educational clinics.
- **Identify measures** to demonstrate success in dropout prevention, recovery and retrieval.
- **Develop organizational and programmatic guidelines** that others can replicate.

Objective 3.2: Assist unemployed individuals to gain and retain employment, and assist low-income individuals to achieve wage progression.

Strategies

3.2.1 Continue to develop more effective employment services and strengthen post-employment services to help individuals obtain and retain jobs that lead to wage progression.

Lead Organization: Employment Security Department and Workforce Development Councils.

A first step for increasing the earnings of disadvantaged individuals is to help them gain and retain employment. WorkSource Centers and are often the first point of contact for job seekers and therefore play a vital role in linking individuals to the resources they need to be successful.

⁵² “Targeted school districts” are school districts with high schools that do not meet the Washington State No Child Left Behind goal of a 73 percent high school graduation rate per the estimate of OSPI for the graduating class of 2002. “At-risk students” means students who are WIA eligible and have failed to pass one or more of the subjects tested on the WASL in the 7th or 10th grade.

Gaining and retaining employment can be a difficult first step for individuals at the bottom of the labor market. They may have problems coping with the balance of family and work—their work is often sacrificed if a domestic crisis arises. They may need help with transportation and childcare, and they may lack basic literacy and life management skills. Sometimes they experience substance abuse, trauma, domestic abuse, or homelessness. A key step has been the creation of *Go2WorkSource.com* as the virtual site the public labor exchange and connections to support services.

Post-employment services assist individuals to retain their jobs and increase their earning potential.⁵³ In particular, new employees who are immigrants or without substantial employment history can benefit from a variety of post-employment support strategies. For example, counseling may help to overcome conflicts that arise due to misunderstandings in the workplace. In order to meet long-term career goals, individuals may need guidance to identify further training or to balance work and family obligations. Strong communication and coordination is often needed among employers, their new employees, and the public agencies assisting them.

Post-employment services can help job seekers to identify career ladders, or career maps. These provide both a structured plan, and a pathway by which entry level workers can advance within a set of related and increasingly better paid occupations. For example, an individual could start as a certified nursing assistant, advance to a position as a licensed practical nurse, and then to a registered nurse. Each level involves additional responsibilities and earnings, but requires learning additional skills.

The welfare-to-work programs that are most successful in increasing employment and earnings on a sustained basis provide a range of services, including job search, life skills, and education and training. The National Evaluation of Welfare-to-Work Strategies examined welfare-to-work programs in different states and found that one program in Portland, Oregon produced notably larger impacts on employment and earnings than any other programs. Portland participants experienced a 25 percent increase in earnings and a 22 percent reduction in the time spent on welfare, compared to other programs that produced, on average, increases of 8 to 17 percent on earnings, and reductions in months on welfare of 8 to 14 percent. The Portland program focused on employment in higher paying jobs with benefits, and included education and training, and life skills activities. Recipients usually participated in one service activity at a time depending on their specific needs.⁵⁴

It is probable that some industries offer low-income workers better chances for wage progression than others. Preliminary evidence from research conducted by ESD suggests that construction and the finance and insurance industry offer the best opportunities for low wage workers followed by manufacturing, wholesale trade, healthcare, and the information industry which includes many of the high-tech jobs. Also of note was that changing employers and even industries was associated with gaining higher wages. The results of this study should be available the summer of 2004 and may prove useful in assisting low-income workers and

⁵³ Harry J. Holzer and Douglas Wissoker, *How Can We Encourage Job Retention and Advancement of Welfare Recipients?*, New Federalism, The Urban Institute, Series A, No. A-49, October 2001.

⁵⁴ Karen Martinson and Julie Strawn, *Built to Last: Why skills Matter for Long-Run Success in Welfare Reform*, Center for Law and Social Policy, National Institute for Literacy, National Adult Education Professional Development consortium, revised April 2003.

unemployed individuals in taking advantage of opportunities with the most potential for career advancement and higher wages.⁵⁵

“We know that if we support lower-income workers, they are more engaged in their jobs, are more productive and have a lower attrition rates. This saves corporations money.”

- Donna Klein, VP Marriott Internal Diversity and Workplace Effectiveness, and CEO of Corporate Voices for Working Families⁵⁶

Large companies across the nation have started to recognize the benefits of providing supportive services to low-income workers. A 1999 Family and Work Institute study of eight large employers with high proportions of low-income workers found that they saved money by providing health benefits, employee assistance plans and wage increases to their low-wage workforce. Marriott International provides a variety of innovative programs designed to help workers resolve personal and social problems and be more effective at work. The company provides child care and transportation assistance, as well as financial counseling.⁵⁷

Career Ladders in Nursing

Shoreline Community College, in partnership with the Service Employees International Union 1199 launched a national labor management education program for Fast Track into a Practical Nursing program. The program is offered online, which allows students who already work in health care setting to go to work and go to school at the same time. Clinical components of the course are offered on days that students are at work at a hospital, or long-term care setting. This ensures the students are able to complete the clinical portion of their program and without losing work days.

3.2.2 Expand programs with demonstrated success in enabling low-income individuals to achieve wage progression such as customized training, apprenticeship preparation and apprenticeship programs, and other training opportunities.

Lead Organization: WorkFirst Sub-Cabinet.

Programs and strategies to enable economically disadvantaged people to gain and retain employment are a necessary step toward wage progression. Wage progression normally occurs for individuals who stay continuously employed. This is particularly true for individuals in their 20s and 30s.

Under our state's WorkFirst program there are many strategies in place to assist disadvantaged individuals to gain and retain employment. Support services are provided to facilitate employment, including childcare, transportation, and other employment-related costs. The Community Jobs program arranges for jobs in government and community-based organizations and assists individuals in combining training with their employment. The Pre-Employment

⁵⁵ Personal communication with Kirsta Glenn, Chief Economist, Labor Market and Economic Analysis Branch, Employment Security Department, March 8, 2004.

⁵⁶ Dara Mayer, “Out of Balance: Companies are recognizing that providing benefits to low-wage employees – stretched thin by the demand of work and life – can yield big returns”, Ford Foundation Report: Barely Making It, The Changing Workplace, New Help for Working Families, Summer 2003, pp 12-17.

⁵⁷ Dara Mayer, “Out of Balance: Companies are recognizing that providing benefits to low-wage employees – stretched thin by the demand of work and life—can yield big returns,” Ford Foundation Report: Barely Making It, The Changing Workplace, New Help for Working Families, Summer 2003, pp 12-17.

Training Program (PET) provides short-term, customized training for specific employers. The WorkFirst Post-Employment Labor Exchange program assists with job retention and progression through career guidance, referrals, and other services over the telephone. The LEP Pathway blends English as a Second Language instruction with job search assistance, work, or work-like activities, and includes training for wage progression. Finally, Washington has been the most successful state in the nation in increasing the number of low-income workers claiming the federal Earned Income Tax Credit which enables many low income workers to have income above the poverty level, thus increasing their incentive to gain and retain employment.

Often job search assistance is a first step in obtaining a job, but occupational skills training is necessary in order to have a net impact on earnings. The Workforce Board's 1997 and 2002 net impact evaluations examined the relative impact of workforce development strategies and found that occupational skills training was the most effective strategy. Participants who received only adult basic skills instruction or job search assistance did not experience the strong earnings increase experienced by participants who received occupational skills training.

Program participants who received occupational skills training at a community or technical college experienced wage and earnings gains substantially above their comparison group of similar individuals. This finding does not say that occupational skills training is the right strategy for all disadvantaged people. Not all economically disadvantaged people are in a position that allows for success in a training program, due to substance abuse, very limited basic skills, or other extreme barriers. This finding points out, rather, the importance of enabling individuals who can succeed in occupational skills training, to have access to it.

Placing low-income individuals into apprenticeship programs is one avenue for increasing occupational skills training for low-income individuals. Apprenticeship programs combine earning and learning and have built-in wage progression as an individual demonstrates achievement of a formal set of skill standards.

3.2.3 Expand access to support services, such as child care, especially for target populations.

Lead Organizations: Department of Social and Health Services (Economic Services and Division of Vocational Rehabilitation), Workforce Development Councils.

Gaining and retaining employment can be a difficult first step for entry-level workers or those with minimal skills or work experience. Individualized services can assist overcoming the challenges of childcare, transportation, basic literacy, limited English language proficiency, or a lack of life management skills. Those with disabilities or those who experience substance abuse, domestic abuse or homelessness have compounded problems.

3.2.4 Provide training programs at times and locations that are accessible to working people, and provide support services to assist in overcoming barriers to training.

Lead Organization: State Board for Community and Technical Colleges.

Partners: Department of Social and Health Services (Economic Services), Department of Community, Trade and Economic Development, Employment Security Department, Office of Adult Literacy, and Workforce Development Councils.

Customers: Low Income Workers.

We face a daunting challenge in providing real access to occupational skills training for the working poor. They are often people who have a difficult enough time working and taking care of a family at the same time, without also going to school.

We must make more training programs available at convenient hours and locations for working people. We must provide child care and other support services at times and places where parents are going to school. We must offer training using modular curricula and that is open-entry and open-exit so that workers can receive training in “doable” doses.

3.2.5 Increase basic skills and English-as-a-Second Language instruction that is integrated with occupational skills training.

Lead Organization: State Board for Community and Technical Colleges’ Office of Adult Literacy.

More should be done to integrate work skills training in Adult Basic Skills instruction.⁵⁸ Both Workforce Board and national research shows that basic skills training provides more likelihood of wage progression for participants when combined with occupational skills training. A recent CLASP report that examined programs in other states found that linking basic education, including English-as-a-Second Language, with occupational skill upgrading can have a dramatic positive effect on earnings. The report also asserts that basic skills and occupational skills instruction could be even more effective when combined with “soft skills” training to help immigrants understand and advance in U.S. workplace culture.⁵⁹

The CLASP report also recommends developing ESL workplace certificates which establish English language competencies needed in particular jobs. The National Institute for Literacy project has dovetailing components. Washington is one of five pilot states participating in this project to develop a workplace readiness credential that could be an important tool for residents with limited English-proficiency. The credential training and assessment could be provided for students in adult education and career and technical education programs, and to customers of WorkSource Service Partners.

⁵⁸ Workforce Training and Education Coordinating Board, *Workforce Training Results 2002: An Evaluation of Washington State’s workforce Development System*, 2003, pages 48-54.

⁵⁹ Heide Spruck Wrigley, Elise Richer, Karin Martinson, Hitomi Kubo, Julie Strawn, *The Language of Opportunity: Expanding Employment Prospects for Adults with Limited English skills*, National Adult Education Professional Development Consortium, Center for Law and Social Policy, August 2003.

Bridging Cultural Gaps in the Workplace

Clover Park Technical College received a grant from the Office of Adult Literacy, SBCTC, to develop a curriculum that aims to help immigrants achieve greater success in the U.S. workplace. The curriculum develops cross-cultural competence and knowledge of cultural expectations in the US work environment.

The curriculum assesses the cross-cultural training needs of the learners, and includes components on communicating across cultural boundaries, and employer and employee expectations on the job. A secondary benefit is the enhancement of English language skills through roles plays, dialog, learner interaction, and the use of new language. At the end of each chapter students practice new skills through activities in the real world and conduct self-assessments. Program outcomes include increased job retention and opportunities for advancement on the job.

The curriculum creators stress, "...the goal of the curriculum is not to change the learners but rather to help them adapt to the differences they will encounter. This will enable them to participate more effectively and comfortably in the workplace in the United States."⁶⁰

3.2.6 Create and offer financial incentives to employers and low-income workers to increase training.

Lead Organization: Office of the Governor.

We must provide financial incentives to both employers and employees for career and technical skills training so that both can afford it. Washington could consider incentives that are offered in other states such as tax credits, income support for time spent in training, and financial aid for part-time enrollment. In Ohio, welfare recipients who obtain entry-level hospitality jobs are eligible to participate in the Hospitality On-Site Training Program. Each week participants receive 10 hours training, work for 20 hours and the program pays them for 30 hours work, enabling them to meet the work requirements of the state's welfare reform law.⁶¹ North Carolina's New and Expanding Training program includes a worker training tax credit to the company for new employees during training, or existing employees training on new equipment. To be eligible the company must pay above the average wage standard for the county of location and extra credit is available in regions where jobs are most needed. The Focused Training Program assists companies in training workers to use new technologies in targeted industries: manufacturing, information, and telecommunications.⁶²

⁶⁰ Kimberly Ward, *Bridging Cultural Gaps in the Workplace*, Clover Park Technical College, supported by the Office of Adult Literacy, SBCTC, 2003.

⁶¹ National Governors' Association, *Working Out of Poverty: Helping Welfare Recipients Increase the Wages and Advance*, September 1999. 9

⁶² Dr. Gerald Pumphrey, Bellingham Technical College, (former Vice President of Guildford Community College, North Carolina), presentation before the House Trade and Economic Development Committee of the Washington State Legislature, February 4, 2002.

Another incentive for encouraging low-income workers to obtain additional qualifications is to make short programs count towards a degree, diploma or certificate. WorkFirst's PET provides 12-week programs customized for specific employers. When students complete a PET program, some community and technical colleges give students a certificate and grant credit towards advanced qualifications.

3.2.7 Provide financial assistance that that enables working adults and ESL, Adult Basic Skills students to take advantage of education and training opportunities.

Lead organizations: Higher Education Coordinating Board and State Board for Community and Technical Colleges.

According to *Measuring Up 2003 – The State-By State Report Card for Higher Education*, Washington State lags behind other states for college participation of working age adults aged 24 to 50. Community and technical college students enroll in workforce programs to upgrade, retrain, or prepare for a new job, or a more advanced position. The majority of these students attend part time, often enrolling for less than six credits per quarter, and are low-income working adults. The average annual income for the typical adult enrolled in workforce education programs on a part-time basis is \$19,285 (2001-02). This compares to the state average annual income from wage earnings of \$37,849.⁶³

Participants in Adult Basic Skills and English as a second language programs also face financial barriers. According to the 2000 Census there were over 494,000 adults in Washington age 25 or older with less than a high school credential, and 255,000 adults 18 or older with limited English proficiency. Since the state needs to ensure that its residents have opportunities to achieve basic skills as a first step to wage progression, it makes sense to remove barriers, including financial barriers that could inhibit the path to obtaining work and achieving wage progression. In 2004 SBCTC made rule changes regarding tuition waivers for adult basic education, English as a second language and GED courses. Prior to the rule changes colleges had to waive 100 percent of tuition charges for these courses. The rules now allow colleges to impose a \$25 fee, or waive charges for students who cannot pay.

One option for expanding financial aid opportunities is to change the eligibility requirements for the State Need Grant to allow students that enroll for less than six credits, LEP, and Adult Basic Skills students to be eligible. Currently only students taking six credits or more are eligible.

Objective 3.3: Remove barriers for populations with unique obstacles to employment and increase the number of employers who hire individuals with disabilities, women, and people of color in high wage, high demand occupations.

Washington's population growth is slowing. Even with continued immigration from other states and countries, labor force growth slowed to 20 percent during the 1990s. Forecasts suggest that growth in the next decade will slow to 14 percent and from 2010 to 2020 to only 8 percent. This presents Washingtonians with an opportunity and a challenge. This once in a lifetime opportunity means that good paying jobs will be available to a wider spectrum of people than in the past. The challenge is that many of the populations that have been under-utilized in the past continue to face unique barriers to gaining and retaining employment.

⁶³ Provide BLS citation

There are programs currently targeted to these special populations. DVR and DSB provide a full range of vocational services, including assessing vocational interests and abilities, referrals for job training, physical and mental restoration services, and conducting follow up services to people with significant disabilities. WorkFirst's services to TANF recipients include LEP Pathway that blends English as a second language instruction, job search, job retention assistance, and also assists TANF recipients to access training that leads to wage progression.

With large numbers of baby boomers retiring, we must pay more attention to those who are currently not in the labor force in great numbers, including the disabled community, people of color, and single-parent families. We will need to diffuse the barriers unique to each population, and offer culturally specific services. We will also need more research to identify more accurately the sub-populations that get stuck at the bottom of the labor market and to test strategies to increase their employability.

Farm workers have particular needs that must be addressed. Among the approximately 170,000 migrant and seasonal farm workers, the median annual income is \$5,000, and the median level of educational attainment is the eighth grade. In the first two years of operation the DOL's *National Farmworker Jobs Program* funded 800 migrant and seasonal farm workers in Washington to obtain job training, employability development assistance (including literacy development), and related assistance.⁶⁴ We must continue to develop training programs that respond to the unique characteristics of the farm worker population, including the seasonal nature of their work.

Strategies

3.3.1 Implement the Ticket to Work Program.

Lead Organizations: Division of Vocational Rehabilitation, the Department of Services for the Blind and Workforce Development Councils.

Because Ticket to Work assists many people with disabilities to take advantage of employment opportunities it is important that workforce partners and service deliverers have a strong understanding of this program and inform customers of the options that will become available. Ticket to Work could provide a source of revenue for any WorkSource Center or partner that becomes a "ticket-taker" and successfully enables customers receiving Social Security disability benefits to obtain employment. Workforce development partners will analyze the Ticket to Work program and how they might best use Ticket to Work to increase their capacity to serve people with disabilities.

⁶⁴ Personal communication with Suzie Saxton, Program Training Coordinator, Yakima Valley, April 4, 2002. The current average wage replacement rate for this program in 2001 was \$9.09. The target population for this program is 80-85 per cent Hispanic.

Ticket to Work – Phase 2

Washington began implementing HWD in January 2002. This is the first phase of the Ticket to Work and Work Incentives Improvement Act of 1999 that enables states to eliminate barriers to employment for people with disabilities by improving access to health care coverage available under Medicare and Medicaid. HWD allows people with disabilities to work and to earn up to 450 percent of the federal poverty level and still continue their Medicaid coverage, eliminating one of the most significant barriers to employment.

The next phase of Ticket to Work began in Washington in June 2003. The Social Security administration sends a *ticket* to every working age Social Security Insurance or Social Security Disability Insurance beneficiary (180,000 individuals) in Washington, that they can take to any approved service provider from the employment network and exchange for services leading to or supporting employment. If the services are successful in allowing the ticket holder to work and earn to the point that they are no longer drawing a monetary benefit from Social Security, then the ticket taker is paid up to 40 percent of what that monetary benefit would have been for up to 5 years. While there are alternate payment schemes and other complexities, the workforce development system can provide funding and incentives to improve the effectiveness of these services.

3.3.2 Educate employers, especially employers from high wage, high demand industries about the benefits of hiring individuals from target populations.

Lead Organization: Employment Security Department.

Several studies have shown that employers are at least equally satisfied with employees with disabilities as with others. A study by the DuPont Corporation, reported that at least 90 percent of the 3,000 employees with disabilities were rated average or above average in job performance.⁶⁵ Positive marketing of skills and abilities could increase the number of employers who are willing to hire people from target populations. Employers associations could disseminate success stories for employing people with disabilities, and people of color. At the same time, employers need to be made aware of the assistance available to them. Lead and Partners can provide employers with technical assistance to provide access-friendly worksites and reasonable accommodations.

⁶⁵ The Dupont Corporation, *Equal to the Task II*, 1990 report of employer survey results. "... the 1990 survey confirms that our employees with disabilities maintain their status as safe, productive and dependable workers." The Job Accommodation Network, Office of Disability Employment Policy, cost benefits analysis of accommodations, 1999, <http://www.jan.wvu.edu/media/Stats/BenCosts0799.html> Employers reported benefits of providing accommodations for employees with disabilities.

3.3.3 Continue developing accountability and program improvement mechanisms for increasing employment and earnings for target populations.

Lead Organization: Workforce Training and Education Coordinating Board.

To implement this strategy, in 2003 the Workforce Board published six “Workforce Focus” papers presenting the results of workforce development programs for target populations. The papers address women, people with a disability, Hispanics, Asians and Pacific Islanders, African-Americans, and Native Americans. Results are included for community and technical college job preparatory training, worker retraining, the three funding streams of the JTPA (now WIA Title I), Adult Basic Skills Education, vocational rehabilitation, private career schools, and secondary career and technical education.⁶⁶

The “Workforce Focus” papers discuss the percentage of participants that are from target populations; completion rates; post-program employment rates, hourly wage rates, and earnings levels, participant satisfaction with their program, and how the results for target populations compare to the results for other program participants. Workforce development programs can now use this information to help inform their efforts to improve the diversity of their programs, and the results for target populations. The Workforce Board will update the information every two years.

People with disabilities and people of color have lower educational and/or workforce outcomes than that of the general population. Women tend to enroll in educational and training programs for low wage occupations. For apprenticeship programs in 2002, hourly wages and earnings for African Americans were just over half the level for whites. Most of this difference, but not all is due to the lower completion rate for African Americans who begin apprenticeships. Wage rates among former participants from several programs were substantially lower for Hispanics and African Americans. Fifty- percent of people with disabilities who completed postsecondary career and technical programs became employed during the third quarter after completion compared to 72 percent for other students.⁶⁷

Comprehensive data helps to formulate workforce development policy but this must be complemented by accountability and improvement mechanisms. Agencies should:

- Continue to develop mechanisms for the collection and analysis of data on the usage of workforce system services by target populations and for target population memberships on local WDCS.
- Conduct coordinated research examining the variation in wage progression among target populations and identify variables that account for success or failure.

⁶⁶ Workforce Training and Education Coordinating Board, *Workforce Focus*, 2003. Available at <<http://www.wtb.wa.gov/publications.html>>

⁶⁷ Workforce Training and Education Coordinating Board, *Workforce Focus*, 2003. Available at <<http://www.wtb.wa.gov/publications.html>>

- Support and utilize programs and best practices that have demonstrated successful outcomes for target populations.
- Develop and maintain performance measures that encourage access to services and beneficial outcomes for target populations.

Challenge Four: Facilitate the Integration of Workforce Development Programs

Goal 4: Integrate workforce development programs to improve customer service.

Key Performance Measures

1. The percentage of total employers using WorkSource: ~~7~~ percent of Washington employers used WorkSource during first year, not counting electronic services (first time measure).
2. The percentage of total workers using WorkSource (this measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole): ~~10~~ percent of Washington workers used WorkSource during the first year, not counting electronic services.
3. WorkSource customer perception of seamlessness as evidenced by survey responses.
~~Provide updated information (this measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole)~~

The Issue for Goal 4:

There are 18 different programs in the workforce development system and seven agencies. Each program was created to fulfill specific purposes, and it can be a challenge for service delivery administrators and staff to make connections between programs so they work together as a system. As discussed in Chapter 3, WorkSource is Washington's one-stop system where job seekers and business customers can come to access a variety of services.

Since July 2000 WorkSource Centers have been operating in each of the 12 local workforce development areas of the state. There are 25 WorkSource centers and 38 affiliate sites that offer access to at least 17 different workforce development and related programs. Workforce Development Councils select and oversee WorkSource Center operations at the local level. In addition, customers are able to "serve themselves" via Internet-based services. Customers coming to WorkSource, either in person or electronically, find a menu of employment and training options from which to choose the right path for them. While these options are still funded by separate program streams, the customers should not be aware of this; the different services should be accessible as though they were funded from a single source. That is the goal—to make the walls between categorical programs invisible to the customers.

While WorkSource is in place, we still have a long way to go. We must knock down categorical thinking. We must think of the workforce development programs as a system, and act as if they were a system. We must face up to hard decisions regarding shared resources and shared accountability for results. One of the most crucial challenges facing the system is to successfully mobilize the resources needed to provide reasonable accommodations for customers with disabilities and grant this population the same opportunities to take advantage of services as other populations. If we are to meet the challenges presented by the skills gap, transitions for incumbent and dislocated workers, and wage progression for low-income individuals, we must

move beyond programmatic approaches. We must provide the best possible service to employers and job seekers.

Objective 4.1: Improve WorkSource services to business customers.

Strategies

4.1.1 Respond to the needs of business customers and implement coordinated strategies among WorkSource partners.

Lead organization: Employment Security Department.

Improving WorkSource services for job seekers is only half the story; WorkSource must also improve its services to the business community to get access to good jobs, and to promote economic vitality. Many programs are engaging employers in workforce development, but too often these efforts are disconnected and programs compete for employer attention. Overloading employers with offers of information and assistance from different sources can deter participation. A coordinated approach helps employers get assistance from the public sector, not only to find workers but for a variety of other services.

The WorkSource system can provide labor market information, prevailing wage rates for specific occupations and geographic regions, computer job matching, assistance with recruitment such as screening services and job training, among many other services for employers.

CTED, in partnership with ESD, has launched the *Smart Move* initiative that will test new ideas and support innovations in business outreach. *Smart Move* provides \$40,000, divided into small grants of \$5,000 - \$7,000, to strengthen connections between the business community, and low-income and WorkFirst job seekers. Funds may be used to customize marketing materials or resources around a specific industry, provide specific customer training, create easier access to information about tax credit opportunities, or to assist current projects that need further financial support to explore innovations. Along similar lines but with a slightly different focus, DOL awarded the Workforce Board, in partnership with ESD, a \$30,000 Technical Assistance and Training grant to enhance the work of skill panels. Skill panels can apply for up to \$5,000 to reach out and develop in-depth working relationships with WorkSource Centers in their area. The funds can support industry-specific activities such as presentations by panels of employers, workplace tours, job shadowing experiences for WorkSource staff, and participation at industry-specific conferences.

“WorkSource Centers need to strategically decide on which employers to focus their attention. One breakthrough point observed by some of the centers with strong employer services teams was a realization that they needed a carefully thought through strategy about employers on which to concentrate. No One Stop Center can serve everyone well, just because of resource limitations. What some have realized is focusing on economic development targeted industries or on other strategically selected firms may result in greater impact.”

- Larry Good, President, Corporation for a Skilled Workforce, *Benchmarking On-Stop Centers: Understanding Keys to Success*

Objective 4.2: Make workforce development services from multiple providers a straightforward and effective experience for job seekers and youth.

Strategies

4.2.1 Improve customer service by collecting and using customer feedback, providing electronic services, and sharing information on customer service best practices.

Lead organization: Employment Security Department.

WorkSource Centers and affiliates around the state have methods of assessing customer satisfaction that range from collecting customer satisfaction cards to convening focus groups. Since 2003 ESD's "mystery shopping program" has evaluated customer service for job seekers and business customers, and includes mystery shoppers with limited English proficiency and people with disabilities. Mystery shopping data and analysis is shared with Employment Security regions and divisions, and the 12 WDCs who are responsible for administering WorkSource Centers. Staff learn about best practices and examples of positive and negative interactions via *Morning News* articles, ESD's intranet site, and at local office staff meetings. WorkSource Centers and affiliates recognize staff for exemplary customer service and use mystery shopper results to improve service. One best practice example that local offices have adopted is the "Telephone Etiquette Desk Aid" that changed the unemployment Insurance Telecenter telephone script to better meet the needs of customers.

In response to feedback from job seeker, employer customers, and WorkSource and affiliate staff, a project is under way to develop a new, enhanced version of *Go2Workforce.com*. Scheduled for release in early 2005, "Version 7" will improve usability, efficiency and accountability. Specifically the site will respond to customer requests, expand recruitment features, provide multiple language translation for all content, navigation, resumes, and jobs, and increase integration with other state and national web sites: *Workforce Explorer*, *America's Job Bank* and *Career One-Stop*.

Identifying additional sites for customer core services access via the Internet is another way to improve customer service. For individuals who do not have access to the internet at home, WorkSource partners will identify additional public spaces that can offer internet access. Possible venues include libraries, community and technical colleges, and community centers. The statewide workforce development conference provides an opportunity to recognize Best Practices. Since 2001 the Workforce Board has hosted an annual conference bringing public, private, state, and local workforce development leaders together to share information, develop relationships and examine innovative local and national policies. In addition, in 2003 the Workforce Board hosted a Youth Institute. Members and staff from Youth Councils of all 12 WDCs learned about the innovations of their counterparts and national best practices to assist youth achieve success in education and the workforce.

4.2.2 Include all WorkSource partners in customer service training, including training in serving target populations.

Lead organization: Employment Security Department.

In order to provide the best possible customer service, WorkSource staff must be well trained to customize services to meet individual needs and well informed about the services provided by partner programs. For job seekers, staff must be able to ascertain their current abilities and needs and the steps necessary to meet their short- and long-term goals. Staff must be trained in best practices for serving job seekers and employers. To meet this objective, ESD and WorkSource partners have implemented a statewide customer service training policy.

Since January 2003 over 90 percent of ESD staff and about 80 percent of affiliate staff have been trained in "Creating Magical Moments for Our Customers" understanding customer needs, communication that make a difference, dealing with customer service challenges and problem solving. Other training includes development of an assessment tool for workforce staff that helps them to identify competencies and training needs, and enhancing staff's ability to provide fair, respectful, consistent, and conscientious service to internal and external customers.

Customer service training includes awareness and diversity training. WorkSource staff will be informed about specialized services for meeting the needs of target populations. Such services include: informing women about high wage job opportunities, including non-traditional employment, services that help displaced homemakers overcome the barriers they commonly face, and services that are accessible to customers of limited English proficiency. Staff need to recognize customers with "invisible" disabilities, such as learning disabilities, and be trained in the best methods for meeting their needs.

Customers and training providers from target populations will be well represented among those developing the training models and delivering the training. The training will capitalize on available capacity and expertise. By taking these steps, WorkSource Centers will help ensure that workforce development services are provided in a welcoming and accessible manner.

4.2.3 Enhance the statewide information system (SKIES) for case management that is shared by WorkSource partners.

Lead organization: Employment Security Department.

In the past, WorkSource partners have kept separate management information systems even though they provide related services to the same customers. SKIES is a shared database that allows WorkSource partners to access the same management and customer information to provide more efficient, coordinated services, while respecting customer confidentiality. With the implementation of SKIES any WorkSource partner agency can access the same customer file with fully updated information thus removing the burden and costs of redundant forms from the customer, and enhancing our capacity to meet customer needs. During 2004 ESD is making further improvements to SKIES to better support business needs, and streamline the information system.

4.2.4 Maintain and continue to develop systems to track and report core WorkSource services.

Lead organizations: Employment Security Department, Workforce Development Councils, and the Workforce Training and Education Coordinating Board.

While SKIES tracks WorkSource participants who register for program service, many services do not require “registration.” Job seekers and employers who visit resource rooms, browse the web-site, <http://www.go2worksource.com>, or access other services that do not involve significant staff assistance do not have to register. In order to meet customer needs and to adjust services to meet changing needs, service providers must know how many people are using these services. WorkSource Centers, with guidance from Workforce Development Councils, have developed the “WorkSource Membership System,” a mechanism to track participants who only use such services. This data will be important for analyzing the services accessed by target populations; they will also assist the WorkSource system to report on its full contribution to meeting employers, students and job seeker needs.

4.2.5 Improve communication and collaboration between workforce development youth partners.

Lead organizations: Office of Superintendent of Public Instruction, Workforce Development Council (Youth Councils).

Improving communication and collaboration between workforce development youth partners will lead to better service, and youth customers will be able to navigate the system more easily. Service integration helps bridge common problems of engaging, co-enrolling, and providing services that address the unique needs of all youth ages 14-21. Service integration may include, but is not limited to, addressing:

1. Sharing of youth-specific data and customer information.
2. Development of common tools, including individual career planning, the provision of support services, eligibility documentation and assessments.
3. Cross-training opportunities among service integration plan partners.
4. Methods to leverage resources to serve both targeted populations and universal youth services.

These service practices enhance the idea of the “one stop” where youth can access multiple resources via one dynamic resource.

4.2.6 Find financial resources to sustain the WorkSource delivery system infrastructure.

Lead organization: Employment Security Department and Workforce Training and Education Coordinating Board.

In the mid 1990’s the DOL provided start-up funding for the development of Washington’s one stop system. Additional development funding has been provided through the Governor’s state set-aside funding through WIA. No funding mechanism, however, has been identified to sustain WorkSource infrastructure, such as equipment and facilities. WorkSource partners will work

together to identify appropriate resources to sustain the necessary infrastructure and will advocate for federal commitment to this streamlining initiative.

In 2004 WIA was due for reauthorization ~~[placeholder to insert result if reauthorized]~~. One of the positions of state and local stakeholders in Washington is that there should be line-item funding for the one stop career development system that does not diminish resources for partner program services. The House and Senate reauthorization proposals establish a new funding mechanism for infrastructure that is state-determined, and the Governor, in consultation with stakeholders, determines the amounts that each one-stop partner program must contribute. The Senate version offers an alternative that allows local areas to develop a funding mechanism. Both bills authorize one-stop partners to contribute additional monies to support infrastructure.

Objective 4.3: Provide services that meet the unique needs of individuals from target populations, and reach out to these populations to increase their use of WorkSource services.

Strategies

4.3.1 Provide individuals with disabilities with equal opportunities to benefit from WorkSource services.

Lead organizations: Employment Security Department.

There are three areas where WorkSource Centers can develop and implement procedures, and procure equipment that will provide people with disabilities more efficient and accessible services: IT; communication systems; and barrier free physical environments.

The federal government has established accessibility standards for the development and procurement of IT which can help WorkSource Centers provide individuals with disabilities the same level of access to these resources as provided to others seeking these services. Software which reads screen content out loud and hardware which replaces a standard keyboard or mouse are examples of technologies which can increase accessibility. The effectiveness and usefulness of these adaptive technologies may be significantly limited when accessibility is not planned for during development and procurement of information systems or resources. The result is increased costs for individualized accommodations and an inability to deliver services in the most effective and accessible manner.

WorkSource centers and affiliate sites must also develop a comprehensive plan to ensure the effectiveness and accessibility of oral communication and written materials. This includes, for example, policies and procedures for providing sign language interpreters, production of materials in alternate formats such as Braille or audiotape, use of human readers and alternative ways of presenting oral or written information to meet the unique needs of individuals with disabilities.

Providing barrier free physical environments is the third component necessary to ensure people with disabilities have the same opportunities to benefit from WorkSource services as others. People with disabilities should be able to move without obstruction through WorkSource and partner facilities. Facilities include any portion of buildings, structures, sites, complexes, equipment, roads, walks, passageways, and constructs such as computer kiosks and office cubicles.

Increased accessibility of information, communication, and physical environments at WorkSource centers will significantly reduce but cannot entirely eliminate the need for individualized accommodations in order for some people with disabilities to effectively participate in services. Many WorkSource Centers do not have policies, procedures or identified resources to provide individualized accommodations. This poses a significant barrier to many people with disabilities who might otherwise be able to access services. This strategy includes consideration of training for staff in identifying when and how they should provide reasonable accommodations.

The Engrossed Senate Joint Memorial 8014 adopted in the 2002 Legislature, directs certain state agencies to report to the Legislature and the Governor annually on the outcomes of efforts undertaken to improve the delivery of employment and training services to people with disabilities, including examples of specific programs and services.⁶⁸ The 2003 report outlines various activities to improve accessibility for people with disabilities at WorkSource Centers. A sub-group of ESD's WorkSource Operations Team, led by DVR, developed accessibility assessment tools, recruited and trained assessment teams, and developed a comprehensive customizable training curriculum. The Workforce Board developed mathematical models that adjust performance targets for programs that serve hard-to-serve populations such as some people with disabilities. The Workforce Board also published a report on the results of workforce development programs in serving people with a disability.

Principles for Providing People with Disabilities Equal Opportunities at WorkSource

1. Provide individuals with disabilities equal access to information technology and data.
2. Provide oral and written communication systems that are effective in meeting the unique needs of individuals with disabilities.
3. Provide and maintain a barrier free physical environment for individuals with disabilities.
4. Routinely consider and provide reasonable accommodations that are responsive to the unique needs of individuals with disabilities.

In May 2002 DOL awarded a competitive work incentive program grant of \$1 million to the Workforce Development Executives of Washington to expand training services and employment opportunities for people with disabilities for a period of 30 months. The project, called the Washington Employment Leadership Coalition on Meeting Expectations is a statewide effort that will provide training, technical assistance, and enhanced service delivery throughout WorkSource.

4.3.2 Increase outreach, recruitment and marketing activities conducted in partnership with tribes and community-based organizations serving targeted populations.

Lead organization: Employment Security Department.

⁶⁸ The agencies are: Developmental Disabilities Council, Governor's Committee on Disability Issues and Employment, DSHS Division of Vocational Rehabilitation, the Department of Services for the Blind, Employment Security Department, Superintendent of Public Instruction, and the Workforce Training and Education Coordinating Board.

Racial and ethnic minorities and people with disabilities may be unwilling to use WorkSource services if members of their community have not established a habit of using these services. The first step to assure that members of these communities use services, is to make sure the WorkSource environment is welcoming and fully accessible. If members of a community believe they will not be able to communicate with staff due to language barriers, or will not be provided with reasonable accommodations, they will not use the services, but we need to engage these target populations in order to meet employer needs. WorkSource partners must work to establish trust among communities and tribes, and provide a quality of service that is deserving of their trust.

Community-based organizations and tribes are often in the best position to bring certain communities into contact with the WorkSource system. To complement recruitment and outreach efforts WorkSource partners will develop and conduct marketing campaigns to help ensure that individuals with disabilities and people of color are aware of and participate in workforce development services.

4.3.3 Encourage diversity among the membership of local Workforce Development Councils and WorkSource staff to reflect the diversity of our communities.

Lead organizations: Employment Security Department, Workforce Training and Education Coordinating Board, and Workforce Development Councils.

Local Elected Officials are responsible for appointing members of local WDC. Current council members and their staff assist in the recruitment of new members. For many positions, the appointments must be made from among nominations provided by local organizations such as business, labor, and education organizations. A diverse staff can assist recruitment of target populations into workforce development services because people from target populations are likely to understand the unique needs of their own communities. Diversity among WDCs and WorkSource staff provide both insight for other staff on serving target populations and a frontline example for diverse hiring and appointment practices.

TAB 4

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

WORKFORCE BOARD STRATEGIC PLAN 2005-2007

Background:

At the November 19, 2003 meeting, the Board received information on the 2005-2007 Agency Strategic Plan process. This information included instructions from the Office of Financial Management (OFM) and the current agency strategic plan (2003-2005). The instructions require the Board to submit its strategic plan by May 1, 2004. The Board decided to replicate the process it used last time and to select a sub committee to work on the elements of the strategic plan. Members of the sub committee include: David Harrison, Beth Thew, Julianne Hanner, Earl Hale, and Tony Lee with support provided by Mike Hudson and Randy Loomans. The sub committee met on January 28, 2004 and again on March 11, 2004. The result of their work is contained behind this tab.

It should be noted that work on the agency strategic plan is happening concurrently with the 2004 update to *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*. Many of the agency objectives and strategies are directly related to tasks contained in *High Skills, High Wages*. We have retained the language from the 2003-2005 Agency Strategic Plan in this document that is based on *High Skills, High Wages*. After the Board adopts the 2004 update of *High Skills, High Wages* in June, staff will update the Agency Strategic Plan with new language from *High Skills, High Wages*. The Board will then act on the modified plan for submittal to OFM.

Board Action Requested: Adoption of the recommended motion

RECOMMENDED MOTION

WHEREAS, The Office of Financial Management requires all state agencies to submit by May 1, 2005-2007 Strategic Plan information including agency vision, mission, goals, objectives, and strategies (OFM Operating Budget Instructions, Part 1); and,

WHEREAS, The Workforce Training and Education Coordinating Board has identified its vision and mission, goals, objectives and strategies; and,

WHEREAS, The Workforce Training and Education Coordinating Board intends to use its available resources to address its mission, goals, objectives, and strategies during 2005-2007; and,

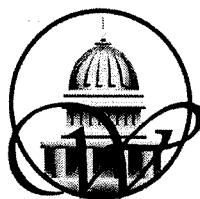
WHEREAS, The Workforce Training and Education Coordinating Board will have an opportunity to modify its strategic plan after the adoption of the 2004 update to *High Skills, High Wages: Washington's Strategic Plan For Workforce Development*;

NOW, THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board approves the 2005-2007 Agency Strategic Plan for submittal to the Office of Financial Management.

Workforce Training and Education
Coordinating Board

STRATEGIC PLAN

2005-2007
(Draft 2 - 03/16/04)



Workforce Training and Education Coordinating Board
128 10th Avenue SW
PO Box 43105
Olympia, WA 98504-3105
(360) 753-5662
FAX (360) 586-5862
<http://www.wtb.wa.gov>
Email: wtecb@wtb.wa.gov

Our Vision

Washington's Workforce Training and Education Coordinating Board is an active and effective partnership of labor, business, and government leaders guiding the best workforce development system in the world.

Our Mission

We shape strategies to create and sustain a high skill, high wage economy.

To fulfill this Mission, the Board will:

- Advise the Governor, Legislature, and other policymakers on workforce development policy and innovative practice.
- Promote a seamless workforce development system that anticipates and meets the lifelong learning and employment needs of our current and future workforce.
- Advocate for the training and education needed for success in the 75-80 percent of jobs that do not require a baccalaureate degree.
- Ensure quality and accountability by evaluating results, and supporting high standards and continuous improvement.

S = Strategy to meet state statutory or Executive Order requirement.

F = Strategy to meet federal requirement.

H = Assigned in "High Skills, High Wages" 2002.

Our Goals

System Building:

We will achieve meaningful results in building a comprehensive, customer-friendly, and efficient workforce development system.

Partnership Building:

We will achieve meaningful results in bringing together the public and private sectors, as well as state and local partners, to address our state's workforce development needs.

Advocacy/Awareness:

We will spur personal commitment to lifelong learning as well as public recognition and investment by visible advocacy for a skilled workforce.

Policy Innovation:

We will craft recommendations on innovations in workforce development policies and practices at state and federal levels and foster their implementation.

Customer Service:

We will provide services, products, and information that are valued by our customers.

Internal Business Process:

We will continuously improve the quality and efficiency of our organization.

Human Resources:

We will develop and sustain a work environment that attracts, recognizes, retains, and develops our employees.

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Goals, Objectives, and Strategies

GOAL 1 – System Building

We will achieve meaningful results in building a comprehensive, customer-friendly, and efficient workforce development system.

Outcome Measure: Workforce system partners' assessment of progress in system building.

Objective 1A. Update and Implement *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*.

	Strategies	05-06	06-07
1A-1	Update <i>High Skills, High Wages</i> . S	✓	
1A-2	Review operating agencies' plans for consistency with the State Strategic Plan. S	✓	
1A-3	Make recommendations on state operating agencies' budget and policy requests with regard to consistency with <i>High Skills, High Wages</i> . S	✓	✓
1A-4	Use federal funds to accomplish the goals of <i>High Skills, High Wages</i> . F	✓	✓
1A-5	Provide Annual Report to the Legislature on progress on <i>High Skills, High Wages</i> . S	✓	✓

Objective 1B. Maintain and improve performance management system for workforce development.

	Strategies	05-06	06-07
1B-1	Prepare and disseminate WIA Title 1B quarterly reports. F	✓	✓
1B-2	Prepare and disseminate WIA Title 1B annual report. F	✓	✓
1B-3	Prepare Carl Perkins annual report (performance section). F	✓	✓
1B-4	Compute, analyze and publish <i>Workforce Training Results 2006</i> . S		✓
1B-5	Negotiate Perkins performance levels with Department of Education. F	✓	✓
1B-6	Negotiate WIA Title 1 performance levels with Department of Labor. F	✓	✓
1B-7	Set policy for and manage the Eligible Training Provider List performance standards. S, F	✓	✓
1B-8	Measure and set targets for the results of the WorkSource system. S	✓	✓
1B-9	Update regression models that mathematically estimate the effect of economic and demographic changes on the program outcomes. F	✓	✓
1B-10	Determine WIA incentive allocations. F	✓	✓
1B-11	Measure <i>High Skills, High Wages</i> Performance Measures. S	✓	✓

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	Strategies	05-06	06-07
1B-12	Conduct special research projects.	✓	✓
1B-13	Incorporate additional programs into the performance management system. S	✓	

Objective 1C. Facilitate career and educational pathways.

	Strategies	05-06	06-07
1C-1	Strengthen and expand drop out prevention and retrieval initiatives.	✓	✓
1C-2	Help ensure all youth are aware of the range of career choices available including high wage, high demand occupations, and non-traditional occupations. H	✓	✓
1C-3	Help facilitate the transfer of information among workforce development programs serving youth. H	✓	✓
1C-4	Develop and promote career guidance activities and programs to assist students to make informed career choices.	✓	✓
1C-5	Update and publish <i>Where Are You Going? A Guide to Careers and Occupations in Washington State</i> .	✓	✓
1C-6	Help expand the ability of higher education institutions to recognize and grant credit for competencies obtained through other educational institutions and employment. S, H	✓	✓
1C-7	Help increase the number of individuals prepared to teach in high wage, high demand fields. H	✓	✓
1C-8	Promote the deployment of industry skill standards throughout education and industry.	✓	✓
1C-9	Help highlight and replicate best practices from around the state and nation in career and technical education. H	✓	✓
1C-10	Support the development of career ladders leading to high wage, high demand occupations. H	✓	✓
1C-11	Help provide support to employers in supplying work-based learning opportunities based on individual career plan. H	✓	✓
1C-12	Support the expansion of apprenticeship training in emerging fields and expand apprenticeship preparation programs in high demand clusters including construction. S, H	✓	✓
1C-13	Coordinate state's involvement in Career Clusters Initiative.	✓	✓
1C-14	Coordinate state's involvement in Workplace Readiness Credential project.	✓	✓
1C-15	Initiate and support outreach activities to veterans to smooth access to educational institutions and facilitate recognition of skills attained in the military.	✓	✓

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Objective 1D. Support excellence in WorkSource Career Development Centers.

	Strategies	05-06	06-07
1D-1	Participate in the WorkSource Operations Team and support state and local teams implementing WorkSource. H	✓	✓
1D-2	Help understand and respond to the needs of business customers and implement a coordinated, comprehensive strategy among WorkSource partners. H	✓	✓
1D-3	Help to improve customer service by collecting and using customer feedback, providing electronic services, and sharing information on customer service best practices. H	✓	✓
1D-4	Help to provide a statewide information system (SKIES) for case management that is shared by WorkSource partners. H	✓	✓
1D-5	Help to develop systems to track and report core WorkSource services. H	✓	✓
1D-6	Help to find financial resources to sustain the WorkSource delivery system infrastructure. H	✓	✓
1D-7	Help to provide individuals with disabilities with equal opportunities to benefit from WorkSource services. H	✓	✓
1D-8	Help to increase outreach, recruitment, and marketing activities conducted in partnership with tribes and community based organizations serving targeted populations. H	✓	✓
1D-9	Encourage diversity among the membership of local Workforce Development Councils and WorkSource staff to reflect the diversity of the community being served. H	✓	✓
1D-10	Encourage WorkSource Centers to expand services to key economic sectors in their communities.	✓	✓

Objective 1E. Maintain and disseminate information on workforce development programs.

	Strategies	05-06	06-07
1E-1	Maintain the <i>Workforce Development Directory</i> . S	✓	
1E-2	Promote and update www.jobtrainingresults.org . S, F	✓	✓
1E-3	Promote and update www.wtb.wa.gov/etp/ . S, F	✓	✓

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GOAL 2 – Partnership Building

We will achieve meaningful results in bringing together the public and private sectors, as well as state and local partners, to address our state's workforce development needs.

Outcome Measure: Key workforce development system partners' assessment of effectiveness/contribution in partnering with them to meet local and state goals.

Objective 2A. Support business and labor leadership for the workforce development system.

	Strategies	05-06	06-07
2A-1	Enable statewide business and labor organizations' leadership for the workforce development system.	✓	✓
2A-2	Work with business, labor, and trade associations to help them meet their workforce needs.	✓	✓

Objective 2B. Provide state leadership and support to Workforce Development Councils and Chief Local Elected Officials.

	Strategies	05-06	06-07
2B-1	Assist Workforce Development Councils in updating their strategic plans in alignment with <i>High Skills, High Wages</i> . S		✓
2B-2	Assist Workforce Development Councils as they implement their local strategic plans.	✓	✓
2B-3	In collaboration with the Employment Security Department, provide assistance and resources for successful implementation of Workforce Investment Act amendments.	✓	✓
2B-4	Facilitate opportunities for meaningful Workforce Development Council and Local Elected Official engagement on workforce development issues with the Workforce Board and other state level agencies.	✓	✓
2B-5	Negotiate local performance targets for WIA Title 1B. F	✓	
2B-6	Negotiate local performance targets for WorkSource. H		✓
2B-7	Facilitate recertification of local councils. F	✓	
2B-8	In collaboration with the Employment Security Department, provide assistance and support to foster successful Workforce Development Council Youth Councils as they improve outcomes for at risk youth.	✓	✓
2B-9	Systematically identify and promote resources that can add value to state and local workforce system development efforts.	✓	✓
2B-10	Provide Workforce Development Councils with local area information from Workforce Board research.	✓	✓
2B-11	Encourage diversity among the membership of local Workforce Development Councils. H	✓	

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Objective 2C. Coordinate workforce development with economic development.

	Strategies	05-06	06-07
2C-1	Form and support industry skill panels, especially in high demand economic clusters such as health care and information technology, to assess emerging and declining skill needs and develop training programs. H	✓	✓
2C-2	Support targeting of workforce development to key economic clusters. S, H	✓	✓
2C-3	Promote lessons learned in SKILLS projects. H	✓	✓
2C-4	Increase publicly supported customized incumbent worker training, and provide incentives to both employers and employees for this type of training. H	✓	✓
2C-5	Help support the provision of high quality labor market information, especially in high demand clusters. H	✓	✓
2C-6	Support 12 health care skill panels through technical assistance, and aggregate field information for the Health Care Personnel Shortage Task Force.	✓	✓
2C-7	Explore continuing resources for skill panels from both public and private sources.	✓	✓

Objective 2D. Provide state leadership and support to private career schools.

	Strategies	05-06	06-07
2D-1	Administer the Private Career School Act in a manner that promotes private-public partnerships. S	✓	✓
2D-2	Engage the Private Vocational School Advisory Committee to ensure private career school involvement in the workforce development system. S	✓	✓

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GOAL 3 – Advocacy/Awareness

We will spur personal commitment to lifelong learning and public recognition and investment by visible advocacy for a skilled workforce.

Outcome Measure: Increase the number of young people who enroll in postsecondary vocational-technical education programs.

Objective 3A. Increase public awareness regarding the benefits and initiatives of the workforce development system.

	Strategies	05-06	06-07
3A-1	Convene an interagency collaborative to market key workforce development messages.	✓	✓
3A-2	Update the Secondary Gap Analysis (Supply, Demand and Results) and promote its findings. S	✓	✓
3A-3	Update the Postsecondary Gap Analysis (Supply, Demand and Results) and promote its findings. S	✓	✓
3A-4	Help form partnerships with industries to market their career opportunities to youth and their parents. S, H	✓	✓
3A-5	Implement agency marketing plan to advocate for a skilled workforce. S	✓	✓
3A-6	Promote the benefits of career and technical education in helping young people meet higher standards and expectations in high school and in preparing them for careers and further education.	✓	✓
3A-7	Administer and promote the Washington Award for Vocational Excellence. S	✓	✓
3A-8	Conduct the employer survey and promote its findings. S	✓	
3A-9	Host conference for workforce development leaders to promote innovation and “best practices,” facilitate engagement in federal and state policy development, and foster partnerships.	✓	✓
3A-10	Continue to raise public awareness of the high school drop out rate, its consequences, and effective methods of reduction.	✓	✓

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GOAL 4 – Policy Innovation

We will craft recommendations on innovations in workforce development policies and practices at state and federal levels and foster their implementation.

Outcome Measure: K-12 policies are adopted that promote career pathways for youth.

Outcome Measure: Number of students that complete postsecondary vocational-technical education programs.

Objective 4A. Develop recommendations and influence state and federal policies to advance the four goals in *High Skills, High Wages*.

	Strategies	05-06	06-07
4A-1	Develop and advocate policies that promote career pathways for youth. S	✓	✓
4A-2	Develop and advocate policies that reduce the gap in the supply of postsecondary vocational training, including new programs, increased student enrollments and worker retraining, especially in high demand clusters. S, H	✓	✓
4A-3	Develop and advocate policies to coordinate workforce and economic development initiatives and programs.	✓	✓
4A-4	Develop and advocate policies that serve incumbent and dislocated workers, including a coherent, feasible, and accessible dislocated worker strategy. S, H	✓	✓
4A-5	Develop and advocate policies for wage progression, including and especially programs with demonstrated success, increased training opportunities and financial incentives for training. S, H	✓	✓
4A-6	Develop and advocate policies that promote workforce system integration. H	✓	✓
4A-7	Join partner agencies in fulfilling the requirements of Senate Joint Memorial 8014 on employment and training services for disabled persons. S	✓	✓
4A-8	Convene work groups on emerging issues.	✓	✓
4A-9	Convene Health Care Personnel Shortage Task Force and report progress on implementing its plan, <i>Crisis or Opportunity?</i>	✓	✓
4A-10	Develop and advocate policies on emerging federal issues. S	✓	✓

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Objective 4B. Advise the Governor and Legislature on implementation of new federal workforce development policies.

	Strategies	05-06	06-07
4B-1	Advise the Governor and the Legislature on integrating the amendments to the reauthorized Workforce Investment Act into the state's workforce development system. F, S	✓	
4B-2	Advise the Governor and the Legislature on integrating the amendments to the reauthorized Carl Perkins Act into the state's workforce development system. F, S	✓	

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GOAL 5 – Customer Service

We will provide services, products, and information that are valued by our customers.

Outcome Measure: Results from customer satisfaction surveys.

Objective 5A. Understand customer requirements and expectations in order to improve products and services.

	Strategies	05-06	06-07
5A-1	Design and implement meaningful customer involvement and feedback in our processes.	✓	✓
5A-2	Make improvements in products and services as identified through customer feedback.	✓	✓
5A-3	Strengthen customer awareness and consumer protection activities in the Private Vocational Schools Act and Veterans' approval programs.	✓	✓

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GOAL 6 – Internal Business Process/Financial

We will continuously improve the quality and efficiency of our organization.

Outcome Measure: Score on agency annual self-assessment.

Objective 6A. Improve categories on the agency self-assessment.

	Strategies	05-06	06-07
6A-1	Conduct annual agency self-assessment using Baldrige criteria and develop and implement improvement plan.	✓	
6A-2	Identify and implement opportunities for streamlining agency business processes.	✓	✓
6A-3	Regularly update Balanced Scorecard measures and review results.	✓	✓

Objective 6B. Align agency resources with priorities of the Board.

	Strategies	05-06	06-07
6B-1	Use the Workforce Board annual retreat to establish key annual priorities.	✓	✓
6B-2	Use Performance Agreements to identify individual work assignments, to recognize accomplishments, and to effect employee development.	✓	✓

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GOAL 7 – Human Resources

We will develop and sustain a work environment that attracts, recognizes, retains, and develops our employees.

Outcome Measure: Score on annual employee survey.

Objective 7A. Ensure that staff have the information, training, and tools needed to do their jobs well and to develop their career potential.

	Strategies	05-06	06-07
7A-1	Identify opportunities to enhance staff professional development.	✓	✓
7A-2	Support annual All Staff Institute.	✓	✓

Objective 7B. Continue to improve employee satisfaction.

	Strategies	05-06	06-07
7B-1	Identify and act on opportunities to improve employee satisfaction.	✓	✓
7B-2	Communicate the provisions and impacts of Civil Service Reform.	✓	✓
7B-3	Ensure that the workplace environment is clean, safe, and efficient.	✓	✓

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TAB 5

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

ELIGIBLE TRAINING PROVIDER POLICY

Each year, the Board adopts the policy used to determine the eligibility of training programs to provide training funded by Workforce Investment Act (WIA) Title I-B Individual Training Accounts. The same policy is used to determine eligibility to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits Program. At the March meeting the Board will act on policy changes for next year: July 1, 2004, to June 30, 2005.

Two changes from current policy are recommended. Both changes are the consensus recommendations of the inter-agency Performance Management for Continuous Improvement (PMCI) workgroup. It should be noted that the recommendation to require the posting of program information on the www.jobtrainingresults.org website, is also supported by the community and technical colleges and the Washington Federation of Private Career Schools and Colleges. Individual apprenticeship coordinators and representatives of four-year colleges and universities have also expressed that they at least have no objection to the policy change. All providers of programs currently on the Eligible Training Provider List were notified of this potential change, and only two reported an objection, both of whom oppose the current policy of measuring their performance.

At the end of the tab is background information on the effects of the current performance criteria on program eligibility, including new information on programs that failed to meet the earnings criteria and apprenticeship programs that did not satisfy the completion rate criteria.

Board Action Requested: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, The Governor's Executive Order 99-02 designates the Workforce Training and Education Coordinating Board to develop criteria for eligible training providers under Title I of P.L. 105-220 (The Workforce Investment Act) and standards for measuring and reporting eligible provider performance and cost information;

WHEREAS, Under the state's Training Benefits Program, a program must meet criteria for performance developed by the Workforce Training and Education Coordinating Board for the purpose of determining those training programs eligible for funding under Title I of P.L. 105-220;

WHEREAS, In March 2003, the Board adopted a policy for determining training provider eligibility, and that policy is set to end on June 30, 2004; and,

WHEREAS, The Performance Management for Continuous Improvement workgroup, including representatives of local Workforce Development Councils and training providers, has assisted Board staff in developing options for changes in the policy for determining training provider eligibility.

THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board, on behalf of the Governor, adopts the Performance Criteria for Determining Training Provider Eligibility for July 1, 2004 to June 30, 2005, and the Policy for Disseminating Program Information.

Performance Criteria for Determining Training Provider Eligibility
July 1, 2004 to June 30, 2005

(Changes from the 2003-04 criteria are underlined.)

I. State Required Performance Levels

A program must meet or exceed each of the following minimum performance floors:

- A completion rate of 20 percent
- An employment rate of 50 percent
- An earnings level of \$3,123 in a calendar quarter

Failure to achieve any one of these minimum floors shall make the program ineligible, with the earnings/hourly wage exception explained below.

In addition, the program must achieve at least an average of 100 percent of the following performance targets:

- A completion rate of 30 percent
- An employment rate of 65 percent
- An earnings level of \$3,918 in a calendar quarter

The average shall be calculated by dividing actual performance on each measure, for which there is sufficient data, by the target for that measure, adding the results together, and dividing by the number of measures for which there is sufficient data.

If a program fails to meet the eligibility requirements for earnings, the program may still qualify by meeting the requirements for hourly wages. The requirements for hourly wages are:

- Minimum floor: \$8.50 per hour
- Performance target: \$9.50 per hour

Analysis of Changes from Current Policy

The proposed policy for 2004-05 raises the earnings criteria in order to maintain the policy of matching the poverty thresholds. The minimum floor for earnings is increased from \$3,030 to \$3,123 in a calendar quarter in order to match the new poverty threshold for a family of two. The target for earnings is increased from \$3,815 to \$3,918 in a calendar quarter in order to match the new poverty threshold for a family of three. There are no other changes.

Policy for Disseminating Program Information

In order for a training program to be eligible to be on the Eligible Training Provider List (ETPL), the program's performance and cost information shall be available for posting as part of www.jobtrainingresults.org. Posting performance information shall be limited by the same minimum data restrictions that apply in determining program eligibility. The posting of employment information shall include information on self-employment.

Analysis

According to section 122(e)(4) of the Workforce Investment Act:

The designated State agency shall compile a single list of the providers identified under paragraph (3) from all local areas in the State and disseminated such list, and the performance information and program cost information described in paragraph (1), to the one stop delivery systems within the State. Such list and information shall be made widely available to participants in employment and training activities authorized under section 135 and others through the one-stop delivery system."

The Workforce Training and Education Coordinator Board is the designated agency for Washington and the performance information refers to the performance information used to determine a program's eligibility to be on the state eligible training provide list.

Currently, program participation in posting information as part of www.jobtrainingresults.org is voluntary. There have been two reasons for this. The performance results for employment rates and earnings are derived from data from unemployment insurance wage records. Until recently, wage records have not been available to us from states outside of the Northwest. This has now changed. We can now obtain wage records from 47 states.

The other reason why posting information has been voluntary is that wage records do not contain data on self-employment. There are programs of study that typically prepare people for self-employment; a prime example is cosmetology. Reporting the results of such programs based solely on wage records would understate their performance results for employment rates and earnings.

The proposed policy includes that information on self-employment will be posted as part of www.jobtrainingresults.org. The technical method that will be used to post self-employment information will be determined using the Performance Management for Continuous Improvement workgroup.

The proposed policy also includes that, "posting performance information shall be limited by the same minimum data restrictions that apply in determining program eligibility." Performance results based upon fewer than 25 records will not be posted unless there are three years of data, then the minimum number of records will be 15. There are two reasons for not posting information derived from a small number of records: (1) results based upon a small number of records is subject to a large degree of randomness, and (2) results based upon a small number or records is subject to revealing personally identifiable information.

Effect of 2003-04 Performance Criteria on Provider and Program Eligibility

The effect of the 2003-04 policy is shown in the following table. The numbers are based on programs that applied to be on the ETPL for the current year.

	Community & Technical College Programs	Private Career School and 4-Year Programs	Apprenticeship Programs
Number of Programs on ETPL as of 6/30/03	1,341	1,200	66
New programs-interim eligible	110	167	0
No data reported-not eligible	61	54	7
Not enough exiters for analysis	21	180	13
Data problems-interim eligible	0	7	0
Number of ETPL programs with sufficient numbers of exiters to analyze results	1,189	792	46
Number and percent of analyzed programs found not eligible due to performance	70 (5.9%)	75 (9.5%)	13 (28.3%)
Program categories with high ineligibility rates due to not meeting performance standards	Cosmetology (24 percent not eligible), Social Services (14 percent not eligible), Protective Services (11 percent not eligible) and Managerial/ Managerial Support (11 percent not eligible)	Cosmetology (28 percent), Massage, alternative healthcare (21 percent)	

Among community and technical college programs, the ineligibility of the cosmetology programs was due mostly to low earnings, social services and protective services had low completion rates, and managerial/managerial support programs were ineligible due to poor results on all three measures. Of all community and technical college programs found not eligible due to performance, 56 percent did not meet the completion rate standard, 24 percent failed on the earnings/wage measure, 17 percent failed on employment rate, and 3 percent did not meet the targets.

Among private career school and four-year college programs, the ineligibility of the cosmetology and massage/alternative healthcare program categories was due to low employment rates. This was true of most programs in this sector that were found not eligible with 85 percent of them failing to meet the employment rate standard.

For apprenticeship programs, a majority of the programs that were found not eligible had low completion rates.

Registered Apprenticeship programs that did not meet performance standards, 2002 and 2003		2002 Performance Results				2003 Performance Results			
Apprenticeship	WDA	Completion Rate	Employment Rate	Median Earnings	AveRatio	Completion Rate	Employment Rate	Median Earnings	AveRatio
Western Washington Painting, Decorating and Drywall Apprenticeship Committee	Seattle-King County								
Dry Wall Finisher		0.13	0.76	5,519.35	1.07	0.15	0.70	5,339.31	0.98
Painting & Decorating		0.12	0.68	5,057.86	0.97	0.13	0.67	4,789.84	0.94
Western Washington Masonry Trades Apprenticeship Committee	Seattle-King County								
Tile Setting		0.09	0.58	5,858.48	0.96	0.08	0.57	5,249.92	0.84
Eastern Washington - Northern Idaho Carpenters Apprenticeship Committee									
Pile Driving	Spokane	---	---	---	---	0.19	0.67	5,514.13	1.04
Acoustical Applicators		---	---	---	---	0.19	0.67	5,514.13	1.04
Seattle Area Roofers Apprenticeship Committee	Seattle-King County								
Job Skills for Const Trade		0.05	0.62	3,839.43	0.75	0.06	0.62	4,061.55	0.74
North Puget Sound Carpenters JATC	Northwest Washington								
Carpentry		0.19	0.70	8,032.38	1.34	---	---	---	---

Registered Apprenticeship programs that did not meet performance standards, 2002 and 2003		2002 Performance Results				2003 Performance Results			
Apprenticeship	WDA	Completion Rate	Employment Rate	Median Earnings	AveRatio	Completion Rate	Employment Rate	Median Earnings	AveRatio
Western States Operating Engineers Institute of Training Apprenticeship Committee	Spokane								
Ironworker/Structural		---	---	---	---	0.21	0.66	N too small	0.85
Heavy Equipment		---	---	---	---	0.23	0.62	N too small	0.86
Pacific Northwest Ironworkers & Employers Apprenticeship and Training Committee Local #14	Spokane								
Ironworker/Structural		---	---	---	---	0.18	0.63	4,913.56	0.95
Inland Pacific Chapter Associated Builders & Contractors (plumber)	Spokane								
Plumbing/Pipefit/Stm Fit		0.14	0.51	N too small	0.67	0.11	0.67	5,370.53	0.93
Sheet Metal		---	---	---	---	0.15	0.64	6,507.60	1.06
Carpentry		0.08	0.63	4,448.31	0.85	0.05	0.74	4,626.94	0.84
Construction Industry Training Council of Washington	Seattle-King County								
Electric/Power Transm Inst		---	---	---	---	0.18	0.78	9,970.14	1.46
Sheet Metal		---	---	---	---	0.19	0.76	N too small	0.90

Private Vocational Schools, 4-Year Schools and Community Colleges: Programs that failed on earnings and wage measures, 2002 and 2003					2002 Performance Results		2003 Performance Results	
School	Program	CIP	County		Median Earnings	Median Wage	Median Earnings	Median Wage
Private Vocational Schools:								
Academy Of Hair Design	Cosmetology	120403	Chelan		Passed	Passed	2,867.54	8.22
American School of Broadcast	Broadcasting	100104	Spokane		Passed	Passed	2,965.11	8.02
Chetta's Academy of Hair and Nails	Barbering	120402	Clallam		2,759.36	n too small	Passed	Passed
Chetta's Academy of Hair and Nails	Cosmetology	120403	Clallam		2,759.36	n too small	Passed	Passed
Chetta's Academy of Hair and Nails	Manicure/Nail Tech	120498	Clallam		2,759.36	n too small	Passed	Passed
Ferry County Memorial Hospital	Nursing Assistant Program	511614	Ferry		Passed	Passed	2,115.22	8.02
Goodwill Industries of the Inland Northwest	Computer Training	110699	Spokane		1,832.46	6.92	Passed	Passed
Goodwill Industries of the Inland Northwest	Clerical Training	520408	Spokane		1,832.46	6.98	Passed	Passed
ITT Technical Institute/Spokane	Information Technology - Multimedia Option	119995	Spokane		Passed	Passed	2,796.13	8.27
Community and Technical Colleges:								
Bates Technical College	Food Marketing	080601	Pierce		Passed	Passed	2,979.86	8.11
Centralia College	Teacher Assisting	131501	Lewis		Passed	Passed	2,689.23	8.08
Centralia College	Early Childhood Education Teacher/Child Care Specialist	200201	Lewis		2,770.85	7.91	2,689.23	8.04
Clover Park Technical College	Teacher Assisting	131501	Pierce		2,618.51	7.89	Passed	Passed
Clover Park Technical College	Floral Manager	080503	Pierce		2,849.35	7.36	2,830.28	7.42
Clover Park Technical College	Early Care & Education	200201	Pierce		Passed	Passed	2,402.10	8.32
Clover Park Technical College	Retail Business Marketing	521401	Pierce		Passed	Passed	2,723.73	8.34
Lower Columbia College	Nursing Assistant	511614	Cowlitz		2,752.48	7.62	2,849.39	7.87
Olympic College	Cosmetology	120403	Kitsap		Passed	Passed	2,403.53	8.29
Olympic College	Manicurist	120498	Kitsap		Passed	Passed	2,403.53	8.29
Renton Technical College	Bank and Financial Support Service	520895	King		Passed	Passed	2,790.10	8.37
Skagit Valley College	Culinary Arts & Hospitality Management	120503	Skagit		Passed	Passed	2,887.42	8.44

Private Vocational Schools, 4-Year Schools and Community Colleges: Programs that failed on earnings and wage measures, 2002 and 2003				2002 Performance Results		2003 Performance Results	
School	Program	CIP	County	Median Earnings	Median Wage	Median Earnings	Median Wage
Private Vocational Schools:							
Spokane Community College	Horticulture: Florist	010603	Spokane	Passed	Passed	2,308.23	7.55
Spokane Community College	Cosmetology	120403	Spokane	Passed	Passed	2,997.50	7.91
Spokane Community College	Administrative Assistant	520204	Spokane	Passed	Passed	2,839.45	8.47
Spokane Community College	Office Assistant Program; Office Clerk Program	520408	Spokane	Passed	Passed	2,864.78	8.07
Walla Walla Community College	Cosmetology	120403	Walla Walla	2,743.67	7.56	2,897.78	7.88
Walla Walla Community College	Nursing Assistant	511614	Walla Walla	Passed	Passed	2,883.55	8.41
Yakima Valley Community College	Hospitality & Tourism Management	520903	Yakima	Passed	Passed	2,376.37	7.97
	Hotel/Restaurant Management & Travel & Tourism & Travel/Tourism Management						

TAB 6

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

**WORKFORCE INVESTMENT ACT 10 PERCENT FUNDS
BUDGET PRIORITIES FOR PROGRAM YEAR 2004**

Ten percent of Workforce Investment Act (WIA) Title I funds are set-a-side for statewide activities to be determined by the Governor. WIA requires that certain activities must be performed while other activities are permissive. The amount invested per activity, and whether or not investments are made in the permissive activities, is at the discretion of the Governor. The Workforce Training and Education Coordinating Board makes recommendations to the Governor.

The paper in this tab reviews 10 percent funding for the program year that begins on July 1, 2004 (PY04), and offers draft recommendations developed by Board and Employment Security staff. Also included in this tab, for purposes of comparison, are the 2003 recommendations made to the Governor.

The Governor has already committed a substantial amount of WIA 10 percent funds to the *7E7 Dreamliner* project. The Governor has also committed \$1.0 million for apprenticeship. Much of the remaining amount is needed to cover the costs of operating information systems and carrying out federally required evaluations. The recommendations for the rest of the funds emphasize the Board's initiative to leverage WIA and Basic Education Act funds to address the dropout issue, continue to build and sustain skill panels, address the shortage of health care workers, and provide customized training for incumbent workers.

The draft recommendations are based upon a hypothetical WIA allotment of \$93 million. This is the amount for the current year. At this time, we do not know what the allotment will be for next year. During the March meeting the Board will have the opportunity to discuss budget priorities for 2004. Based upon that discussion and how much the state is actually allotted, staff will prepare final recommendations for the Board to act on at the May meeting.

Board Action Requested: None. For discussion purposes only.

DRAFT

Workforce Investment Act 10 Percent Funds Budget Priorities for Program Year 2004

This paper analyzes the budget priorities for Workforce Investment Act (WIA) 10 percent funds for the program year beginning July 1, 2004. The Governor has substantial discretion in spending 10 percent of the WIA funds, in contrast to the WIA funds allocated by formula for certain purposes. While WIA specifies some activities that the Governor must support with 10 percent funds, the amount of support is discretionary. Beyond the mandatory categories, there are other permissible categories identified by the Act.

The analysis is guided by the general principles of the Priorities of Government (POG) approach to budgeting. The purpose of POG is to establish a clear set of results which citizens expect of state government, and to prioritize spending on the activities that matter most in achieving these results.

The POG established 10 expected results that help shape the Governor's budget. Two of these results relate to the contribution of the workforce development system:

1. Improve the quality and productivity of our workforce.
2. Improve the economic vitality of businesses and individuals.

Tied to these general results are three specific results for the 10 percent funds originally expressed by the Governor in a March 2003 transmittal:

1. Addressing the healthcare personnel shortage.
2. Providing incumbent worker training.
3. Improving workforce development system efficiencies.

Listed below are the activities recommended for 10 percent funding for Program Year (PY) 2004. There are two tables that accompany a short narrative for each activity. The first table indicates the recommended WIA allocation for PY04. The table also shows other fund sources that will support the activity, and comments pertinent to the recommendation. These other sources include carry forward WIA funds from prior years. The state has three years to expend funds allotted under WIA.

The second table lists the relative ranking of the activity when compared to the three results. The chart shows the primary result of the activity by marking that result as "high." When the effect of the activity is only indirect, the result is marked "low." The recommendations in this paper are divided into required and optional activities.

Activities Required by WIA

Eligible Training Provider List and Evaluations. WIA requires the state to establish performance criteria and maintain a list of training programs that meet the criteria and are eligible to receive Individual Training Account vouchers for training funded through WIA Title I-B. The state is also required to evaluate the effectiveness of the workforce investment system, including the 17 core indicators for WIA Title I-B, and report the results for the state as a whole and for each of the 12 workforce development areas in the state.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$400,000	-0-	\$400,000	Evaluations identify areas of strong and weak performance informing efforts to improve efficiency. The Eligible Training Provider List promotes efficiency by preventing the expenditure of funds on programs with weak performance.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Incentive grants for exemplary performance. This money is directed to Workforce Development Councils (WDCs) that meet or exceed performance targets. WDCs may use the funds for any purpose authorized by WIA.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$300,000	-0-	\$300,000	The incentive awards are intended to promote positive (including efficient) results from program services.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies		x	

Development and expansion of One-Stop system. WIA requires the state to operate a One-Stop system with access to 15 workforce development programs. WIA 10 percent money has been used to implement innovations that broaden partner participation and customer access. Sample services have included: new partner access to electronic backbone; partner staff training in American Sign to meet the Americans with Disabilities Act standards; expanding resource rooms and self-service capacity; and adding personal computers to the network for customer self-service. Due to commitments already made, no PY04 funds are recommended to be dedicated to this purpose. Local areas could choose to use their incentive grants for their one-stop systems.

Recommended WIA 03 Resources	Other Fund Sources	Total Resources	Comments
-0-	-0-	-0-	The intent behind One-Stop service delivery is increased efficiency by having multiple program services available to the customers at "One-Stop," both in-person and through the Internet.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies		x	

Assist areas with high concentrations of eligible youth. High concentrations of eligible youth are defined as geographical areas with above average concentrations of low-income youth. Beginning with PY03, funds are being used to leverage Basic Education Act dollars in community partnerships with school districts and WDCs. The funds are used to address dropout prevention and retrieval. The impact on efficiency is high because of the leverage of other resources.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$670,000	\$670,000 (PY03 Carry forward)	\$1,340,000	Funds are used to improve efficiencies in the coordination of services to at risk youth from multiple programs, agencies, and organizations, including schools and community-based organizations. The funding continues at current level the PY03 innovation of using WIA funds to leverage Basic Education Act dollars.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x	x	

Operate a fiscal and management information system. Congress reduced allowable administrative limits when it passed WIA. In return, it informed states that the 10 percent funds were an appropriate source to cover the costs of information technology systems. In order to support one-stop, the state has directed funds to consolidating and coordinating multiple fiscal and participant (customer) tracking systems and self-service access. These include: WorkSource presence on the Internet (Go2Worksource), Dataflex, Datamart, Services Knowledge and Information Exchange System (SKIES), UI benefit payment interface, and JAS (WorkFirst). SKIES is the major recipient of these 10 percent funds. Information systems include making information about job openings available in-person or via the Internet. The expenses for SKIES cover: system administration and operation; software development, maintenance, and upgrades; and hardware maintenance.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$3,000,000	\$1,150,000 (Wagner Peyser and Claimant Placement)	\$4,150,000	Management and fiscal information technology systems are integral to providing efficient services.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Technical Assistance. WIA requires states to provide technical assistance to workforce development areas that fail to meet performance targets. This item also includes other technical assistance to local areas such as staff training. Employment Security and Workforce Board staff will continue to provide technical assistance as needed.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$25,000	-0-	\$25,000	Technical assistance improves the efficiency of local areas in meeting performance targets.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies		x	

Optional Activities

Industry Skill Panels (other than health care). Industry skill panels are partnerships of employers, labor, and training providers. The panels assess skill gaps in their industry and design actions to close the gaps. Such actions can include the development of new courses, customized training, recruitment efforts, internships, loaned faculty, shared facilities, and others. Skill panels improve efficiency by targeting workforce development activities (including incumbent worker training) to areas identified by industry representatives as necessary to close skill gaps in their industry.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$340,000	-0-	\$340,000	Skill panels improve the efficiency of workforce investments by directing those investments, including incumbent worker training, to where they are most needed by industry.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker		x	
Workforce System Efficiencies	x		

Health Care. There is \$340,000 provided to continue the work of the health care skills panels. Among other achievements, the skill panels have brought in over \$3 million in additional federal resources, established apprenticeship programs, coordinated clinical opportunities, and created partnerships to expand program capacity. There is \$70,000 of carry forward funds from PY03 is reserved for labor market demand and supply data collection and analysis. Currently, the Workforce Board, in partnership with the Department of Health, is contracting with Washington State University (WSU) to analyze current data availability and develop recommendations for future data efforts including consolidating data collection and analysis across programs and agencies where feasible. WSU will present their recommendations to the Health Care Personnel Shortage Task Force in April. The carry forward funds will be available to help with the costs of implementing the preferred recommendations. Improved data along with direction provided by industry skill panels will improve efficiency by better targeting resources.

Health Care

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$340,000	\$70,000 PY03 Carry forward	\$410,000	\$340,000 is for skill panels. \$70,000 is for data collection and maintenance.

Health Care (continued)

Result/Impact	High	Medium	Low
Health Care Personnel	x		
Incumbent Worker			x
Workforce System Efficiencies		x	

Incumbent worker training. The Governor has committed \$1.0 million of PY03 carry-forward funds for apprenticeship programs. Out of PY04 funds, \$700,000 is recommended for incumbent worker training in health care and other industries. As part of WIA reauthorization, Congress is expected to increase the flexibility of local areas to use their formula funds for incumbent worker training. In both the House and Senate-passed bills local areas may use up to 10 percent of their adult monies for incumbent worker training and the employer match requirements are made less stringent.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$700,000	\$1,000,000 (PY03 Carry forward)	\$1,700,000	\$1.0 million of PY03 Carry Forward is for apprenticeships.

Result/Impact	High	Medium	Low
Health Care Personnel		x	
Incumbent Worker	x		
Workforce System Efficiencies			x

Governor's Special Initiative. The Governor has committed \$5 million of WIA 10 percent funds for the 7E7 *Dreamliner* project.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
\$3,500,000	\$1,500,000 (PY03 10% Carry forward) (\$1,000,000 Wagner Peyser PY03 Carry forward) (\$1,000,000 Wagner Peyser PY04)	\$7,000,000	The funds are for the 7E7 <i>Dreamliner</i> project.

Reserve Fund. This money is held in reserve to enable the Governor to fund activities not originally planned for. Because of the commitments already made for the PY04 funds, there will be no additional reserve for 2004.

Recommended PY04 WIA Resources	Other Fund Sources	Total Resources	Comments
-0-	-0-	-0-	

Total Recommended Allocations by Result

Result	PY04 10 Percent Funds	Other Resources	Total Funding
Addressing the Health Care Labor Shortage	\$340,000	\$70,000	\$410,000
Providing Incumbent Worker Training	\$700,000	\$1,000,000	\$1,700,000
Improving Workforce Development System Efficiencies	\$4,735,000	\$1,785,000	\$6,520,000
Governor's Special Initiative	\$3,500,000	\$3,500,000	\$7,000,000
Reserve	-0-	-0-	-0-
Total	\$9,275,000	\$6,355,000	\$15,630,000

Workforce Investment Act 10 Percent Funds Budget Priorities for Program Year 2003

Washington State will experience an overall 26.3 percent reduction in the state's Workforce Investment Act (WIA) Title I-B allocation for the year beginning July 1, 2003. Funding for adult, youth, and dislocated worker services will drop from almost \$126 million this current year to \$92.3 million. The state's 10 percent allocation will fall from \$12.6 to \$9.3 million.

The Workforce Training and Education Coordinating Board (Workforce Board) adopted recommended allocations for 10 percent funds at its March 2003 meeting. This occurred before Washington State received word from the U.S. Department of Labor of the reduction.

This decrease happens at a time when the state faces an overall budget shortfall that led the Governor to challenge state agencies to examine spending priorities through a process called Priorities of Government (POG).

The purpose of the POG process is to establish a clear set of results which citizens expect of state government, and to prioritize spending on the activities that matter most in achieving these results.

Briefly, the POG established 10 expected results that helped shape the Governor's budget. Two of those results relate to the contribution of the workforce development system:

1. Improve the quality and productivity of our workforce.
2. Improve the economic vitality of businesses and individuals.

Tied to these general results are three specific results for the 10 percent funds expressed by the Governor in a March transmittal:

1. Addressing the healthcare personnel shortage.
2. Providing incumbent worker training.
3. Improving workforce development system efficiencies.

The following budget review is guided by the general principles applied under POG and the Governor's expected results for 10 percent funds. In addition to Program Year (PY) 2003 funds, the review includes additional funding sources that can be applied to achieve these results.

Listed below are the activities recommended for 10 percent funding for PY03 for both required and optional activities. There are two tables which accompany a short narrative for each activity. The first table indicates the recommended WIA allocation for PY03 and the allocation recommended by the Workforce Board before the 03 reduction was known. The table also shows other fund sources that will support the activity, and comments pertinent to the recommendation. The second table lists the relative ranking of the activity when compared to the three results. The chart shows the primary result of the activity by marking that result as "high." When the effect of the activity is only indirect, the result is marked "low."

WIA requires states to use 10 percent funds for certain activities. States have discretion as to how much money is spent on each of the required activities, but some 10 percent funds must be used for each. WIA also specifies other activities for which 10 percent funds may be used for, but the activities are not required. The recommendations in this paper are divided into required and optional activities.

Activities Required by WIA

Eligible Training Provider List and Evaluations. WIA requires the state to establish performance criteria and maintain a list of training programs that meet the criteria and are eligible to receive Individual Training Account vouchers for training funded through WIA Title I-B. The state is also required to evaluate the effectiveness of the workforce investment system, including the 17 core indicators for WIA Title I-B, and report the results for the state as a whole and for each of the 12 workforce development areas in the state.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$700,000 (\$775,000 recommended by Workforce Board prior to reduction.)	\$75,000 Carry Forward from previous year's allocation.	\$775,000	Evaluations identify areas of strong and weak performance informing efforts to improve efficiency. The Eligible Training Provider List promotes efficiency by preventing the expenditure of funds on programs with weak performance. Carry over funds will be used to cover costs for next year.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Incentive grants for exemplary performance. This money is directed to Workforce Development Councils (WDC) that meet or exceed performance targets. WDCs may use the funds for any purpose authorized by WIA.

Recommended PY 03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$400,000 (\$575,000 recommended by Workforce Board before reduction.)	-0-	\$400,000	The incentive awards are intended to promote positive (including efficient) results from program services. The Departments of Labor and Education have just announced that WA is eligible to receive an additional \$3 million incentive award.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Development and expansion of One-Stop system. WIA requires the state to operate a One-Stop system with access to 15 workforce development programs. Programs contribute to the ongoing operation of this system according to federal accounting practices and procedures. Federal Wagner-Peyser funds will set aside \$600,000 of its discretionary funds to support the extra cost of exemplary models for delivering labor exchange services. WIA 10 percent money is used to implement innovations which broaden partner participation and customer access. Sample services include: new partner access to electronic backbone; partner staff training in American Sign to meet American with Disabilities Act standards; expanding resource rooms and self-service capacity; and adding personal computers to the network for customer self-service.

Recommended WIA PY03 Resources	Other Fund Sources	Total Resources	Comments
\$850,000 (\$1,080,000 recommended by Workforce Board prior to reduction.)	\$600,000 Wagner-Peyser (\$725,000 Carry Forward from previous year's allocation)	\$2,175,000	The intent behind One-Stop service delivery is increased efficiency by having multiple program services available to the customers at "One-Stop," both in-person and through the Internet. The \$725,000 carry forward is already under contract.

One-Stop (continued)

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Assist areas with high concentrations of eligible youth. High concentrations of eligible youth are defined as geographical areas with above average concentrations of low-income youth. Current 10 percent funds support the development of WDC-youth provider partnership building, as well as three pilot projects. Activities include dropout prevention, business engagement, staff cross-training, and inter-program service integration.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$670,000 (\$721,323 recommended by Workforce Board prior to reduction.)		\$670,000	Funds are used to improve efficiencies in the coordination of services to at risk youth from multiple programs, agencies, and organizations, including schools and community-based organizations.

Result/Impact	High	Medium	Low
Healthcare Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Operate a fiscal and management information system. Congress reduced allowable administrative limits when it passed WIA. In return, it informed states that the 10 percent funds were an appropriate source to cover the costs of information technology systems. In order to support One-Stop, the state has directed funds to consolidating and coordinating multiple fiscal and participant (customer) tracking systems and self-service access. These include: WorkSource presence on the Internet (Go2Worksource), Dataflex, Datamart, Services Knowledge and Information Exchange System (SKIES), UI benefit payment interface, and JAS (WorkFirst). SKIES is the major recipient of these 10 percent funds. Information systems include making information about job openings available in-person or via the Internet. The expenses for SKIES cover server acquisition and maintenance, software development, maintenance, and upgrades. The Department of Information Services oversees the project.

Information System (Continued)

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$2,700,000 (\$3,375,000 recommended by Workforce Board prior to reduction.)	Est. \$950,000 Wagner-Peyser and Claimant Placement Program.	Est. \$3,650,000	Management and fiscal information technology systems are integral to providing efficient services. Other programs (e.g. Wagner-Peyser and Claimant Placement Program) are asked to support the costs according to generally accepted accounting principles.

Result/Impact	High	Medium	Low
Healthcare Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Technical Assistance. WIA requires states to provide technical assistance to workforce development areas that fail to meet performance targets. This item also includes other technical assistance to local areas such as staff training.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$125,000 (This item was included but no dollar amount was separately identified in the Workforce Board recommendation.)		Est. \$125,000	Technical assistance improves the efficiency of local areas in meeting performance targets.

Result/Impact	High	Medium	Low
Health Care Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Optional Activities

Industry Skill Panels (other than health care). Industry skill panels are partnerships of employers, labor, and training providers. The panels assess skill gaps in their industry and design actions to close the gaps. Such actions can include the development of new courses, customized training, recruitment efforts, internships, loaned faculty, shared facilities, and others. Skill panels improve efficiency by targeting workforce development activities (including incumbent worker training) to areas identified by industry representatives as necessary to close skill gaps in their industry. The state provides WIA funding to each panel for no more than three years, with each of the years funded at a lower level in order to make a transition to self-support. PY03 funds for new panels will target the 3 clusters identified by the Joint Economic Vitality Cabinet.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$270,000 (\$290,000 recommended by the Workforce Board prior to reduction.)	Est. \$120,000 (Carry forward)	Est. \$390,000	

Result/Impact	High	Medium	Low
Healthcare Personnel			x
Incumbent Worker			x
Workforce System Efficiencies	x		

Health Care personnel shortages initiatives. Proposals are in alignment with the recommendations of the Health Care Personnel Shortage Task Force. The money will be used for health care skill panels, programs in K-12 schools, and healthcare labor supply and demand data collection and analysis. There is \$280,000 to start-up four skill panels in the four areas of the state currently without funding for health care skills panels. There is \$240,000 to help sustain the existing panels in the other 8 areas of the state. There is \$300,000 to develop health care programs in K-12 schools to prepare students for entry level positions. There is \$100,000 reserved for labor market demand and supply data collection and analysis. Currently, the Workforce Board, in partnership with the Department of Health, is contracting with Washington State University to analyze current data availability and develop recommendations for future data efforts including consolidating data collection and analysis across programs and agencies where feasible. Improved data along with direction provided by industry skill panels will improve efficiency by better targeting resources.

Health Care

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$1,020,000 (\$840,000 recommended by Workforce Board for skills panels and labor market data. Board did not separately identify funds for youth)		\$1,020,000	All funds targeted to address the shortage of health care personnel. Some strategies targeted to upgrading incumbent workers.

Result/Impact	High	Medium	Low
Health Care Personnel	x		
Incumbent Worker		x	
Workforce System Efficiencies		x	

Incumbent worker training. There is currently at least one incumbent worker training project in each Workforce Development Area funded through these dollars. Of this year's funds for the Targeted Industries Programs, \$1.5 million is being finalized by the Employment Security Department this month with expenditures expected early next fiscal year. Approximately \$2.2 million is available to WDCs for incumbent worker training through 2003. As part of WIA reauthorization, Congress is expected to increase the flexibility of local areas to use their formula funds for incumbent worker training. In the H.R. 1261 local areas may use up to 10 percent of their adult monies for incumbent worker training and the employer match requirements are made less stringent.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$1,000,000 (\$2,000,000 recommended by Workforce Board prior to reduction.)	\$2.2 million (Carry forward)	\$3.2 million	All funds are allocated for incumbent worker training. Even without dedicating funds for health care workers, it can be expected that approximately one-third of the funds will be expended in health care because of the employer demand in that industry.

Result/Impact	High	Medium	Low
Health Care Personnel	x		
Incumbent Worker	x		
Workforce System Efficiencies	x		

Reserve Fund. This money is held in reserve to enable the Governor to fund activities addressing the three results or other areas not planned for under the above activities.

Recommended PY03 WIA Resources	Other Fund Sources	Total Resources	Comments
\$1,503,190		\$1,503,190	Funds held in reserve to meet emergent needs. ¹

¹ This past year, the Governor's reserve was used to fund health care programs in secondary skills centers. Funding for activity is now included in the health care category.

Total Recommended Allocations by Result

Result	PY03 10 Percent Funds	Other Resources	Total Funding
Addressing the Health Care Labor Shortage	\$1,020,000		\$1,020,000
Providing Incumbent Worker Training (including health care)	\$1,000,000	\$2,200,000	\$3,200,000 ²
Improving Workforce Development System Efficiencies	\$5,715,000	\$2,470,000	\$8,185,000
Reserve	\$1,503,190		\$1,503,190
Total	\$9,238,190	\$4,670,000	\$13,908,190

² Additional funds are available through the Job Skills Program.

TAB 7

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 96
MARCH 25, 2004**

**CARL D. PERKINS VOCATIONAL AND TECHNICAL EDUCATION ACT
PROGRAM YEAR 2004 FEDERAL FUNDS DISTRIBUTION**

Background:

The Workforce Training and Education Coordinating Board is statutorily designated as the State Board of Vocational Education (RCW 28C.18.050) and is responsible for the receipt and distribution of federal funds for career and technical and workforce education. Each year the Board adopts the federal funds distribution matrix that identifies the purposes and amounts available to implement the Carl D. Perkins Vocational and Technical Education Act. The Act contains four categories of funding: basic grants for local school and community and technical college district programs and services; state leadership activities, including non-traditional training and employment preparation and services to individuals in state institutions; administration; and Tech Prep education. There are both mandated and permissive uses of the funds.

The Consolidated Appropriations Act of 2004 contains \$1,301,700,000 in total Perkins funding. This appropriation flows to states on a formula basis. Washington State's anticipated share is \$25,006,419 for the July 1, 2004 through June 30, 2005 program year. The flow of funds is contained in the attached Federal Funding Flow Chart. The methodology for distribution remains unchanged from the previous year and the resulting allotments are contained in the attached funding distribution matrix. A summary of explanatory information follows the draft matrix and provides additional information on levels and uses of funds by the Board and the operating agencies.

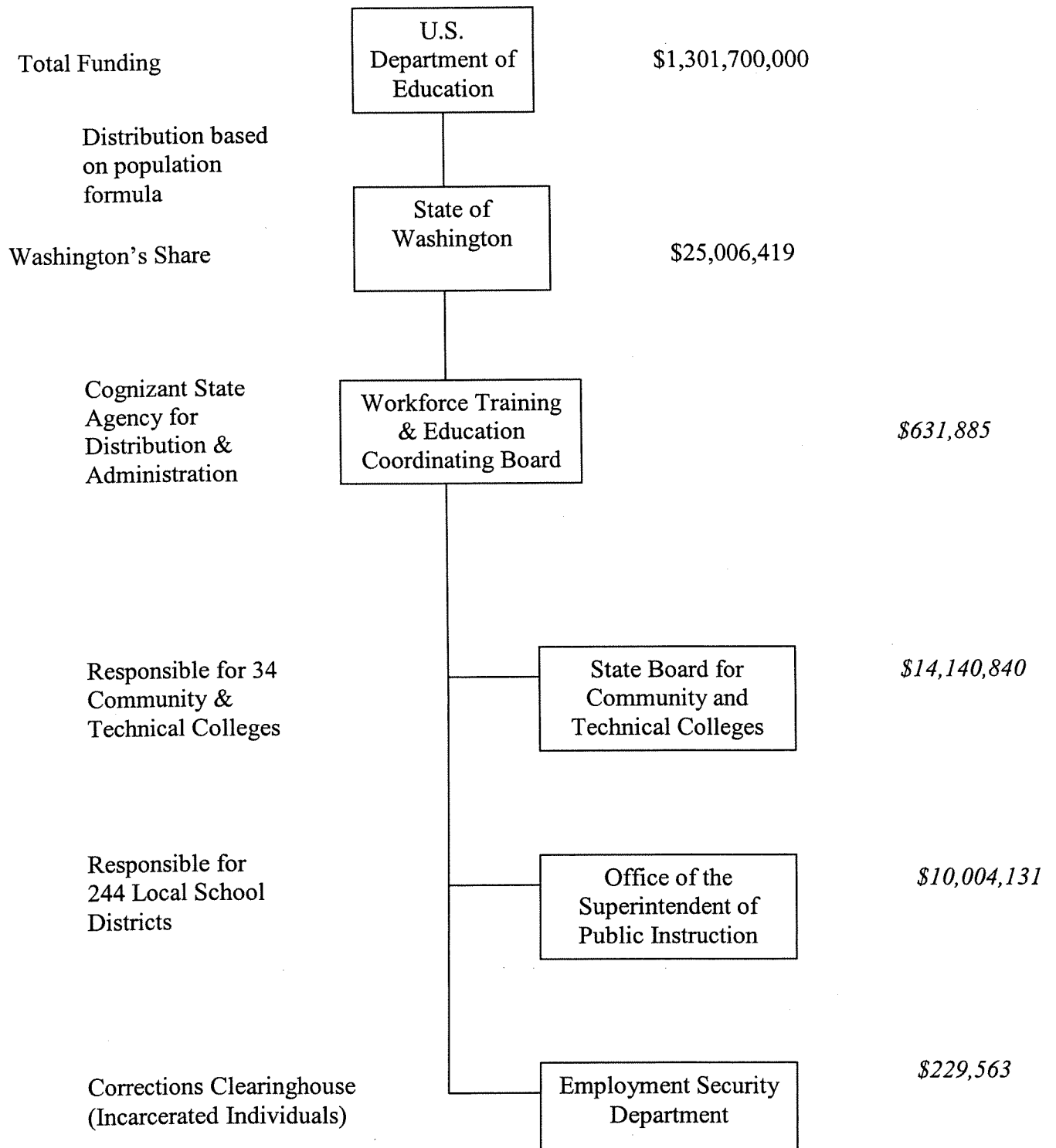
While no changes are recommended for this coming year, we plan to engage the Board in more detailed discussions that include reviews of current uses of the funds followed by analysis and recommendations to ensure that these funds address the priorities of the Board. A timeline for these discussions is included. It contains suggested activities associated with Board meeting dates and anticipated work with staff from the Office of Superintendent of Public Instruction (OSPI) and State Board for Community and Technical Colleges (SBCTC). The timeline is structured to allow for sufficient lead time for the OSPI and SBCTC in their provision of planning guidelines to the local school and community and technical college districts for the 2005-06 program year.

Additionally, the U.S. Department of Education, Office of Adult and Vocational Education (OVAE) recently notified us that new targets are required for this same period, July 1, 2004 to June 30, 2005. With only three weeks notice, staff of the Board began negotiations on March 16, 2004. The proposed performance levels offered to OVAE are included here and staff is available to discuss these proposed targets with the Board. The due date for submittal is April 30, 2004.

Board Action Requested: None. For discussion purposes only. Action to occur in May.

Carl D. Perkins Vocational & Technical Education Act
Federal Funding Flow Chart

2004 Appropriation



DRAFT

Proposed Distribution of PY 2004
Federal Vocational Education Funds
July 1, 2004 – June 30, 2005

	OSPI	SBCTC	WTECB	ESD	TOTAL
Title I					
Basic Programs (Funding for Local Distributions)	<u>\$8,585,671</u>	<u>\$10,927,217</u>			\$19,512,888
Postsecondary 56% (Formula)		\$9,934,495			
Secondary 44% (Formula)	\$7,727,104				
Reserve (State Grants)	\$858,567	\$1,092,722			
State Leadership (Assessment & Research, Technology & Improved Programs, Partnership & Articulation, Special Populations & Career Guidance, Professional & Curriculum Development, & Technical Assistance)	<u>\$1,131,506</u>	<u>\$842,154</u>	<u>\$92,411</u>	<u>\$229,563</u>	\$2,295,634
State & Local Level Activities	\$1,056,506	\$767,154	\$92,411		
Nontraditional Services (Required)	\$75,000	\$75,000		\$229,563	
Institutionalized Services (Required)					
Administration (State Planning & Coordination, Fiscal & Audit, Reporting & Accountability, Monitoring & Evaluation, Technical Assistance)	<u>\$286,954</u>	<u>\$321,389</u>	<u>\$539,474</u>		\$1,147,817
State Match (Required)	\$286,954	\$321,389	\$539,474		
Total	<u>\$10,004,131</u>	<u>\$12,090,760</u>	<u>\$631,885</u>	<u>\$229,563</u>	<u>\$22,956,339</u>
Title II					
Tech Prep Programs (Funding for Local Distribution)		\$1,947,576			
Administration (Same as above)		\$102,504			
Total		<u>\$2,050,080</u>			<u>\$2,050,080</u>
Grand Total	<u>\$10,004,131</u>	<u>\$14,140,840</u>	<u>\$631,885</u>	<u>\$229,563</u>	<u>\$25,006,419</u>

FEDERAL VOCATIONAL EDUCATION FUNDS

July 1, 2004 – June 30, 2005

Summary of Explanatory Information

The Carl D. Perkins Vocational and Technical Education Act includes mandated distribution of available funding as described below.

The bulk of the resources flow to the local level. Basic Programs are funded at 85 percent. There are both required and allowable uses of these funds. Funds flow to local recipients (school districts and skills centers and community and technical colleges) through the Office of Superintendent of Public Instruction (OSPI) and State Board for Community and Technical Colleges (SBCTC) according to statutory formulas. The secondary/postsecondary split remains 44/56 percent. The law allows a 10 percent reserve of these funds to be exempt from the formula distribution requirements. This reserve may be used for rural areas, areas with high percentages or numbers of voc-tech students and communities negatively impacted by changes in Perkins III. Both the secondary and postsecondary systems have the full 10 percent available to them.

State Leadership is limited to 10 percent. Each agency maintains some Leadership funds for state level staff and other costs which when combined with Administration remains unchanged from previous years and is provided to each agency using the existing distribution formula. The remaining Leadership funds are shared equally between secondary and postsecondary to fund activities either directly undertaken by the agency or distributed to local recipients for targeted purposes. Required setasides include non-traditional activities (\$150,000 equally distributed to secondary and postsecondary) and the setaside provided to the Employment Security Department, Corrections Clearinghouse for programs for incarcerated youth and adults, including preparing offenders for eventual placement into mainstream employment and mini-grants for creative innovations and staff development (\$229,563). When fully combined, OSPI receives \$1,131,506; SBCTC receives \$842,154; and the Workforce Training and Education Coordinating Board receives \$92,411. In addition to the required preparation for non-traditional training and employment activities, OSPI uses its Leadership funds for career and technical education program standards reform work, skills standards collaboration, promoting transition beyond high school (5 P's – career pathways, portfolios, senior project, 13th year plan, and involvement of parents). SBCTC uses its funding to support regional clusters work, linkages with economic development, program improvement through best practices and innovations, integration of occupational and basic skills, conference support, and the required non-traditional services. Other uses for both delivery systems include professional development, curriculum development, assessment and accountability, and student leadership organizations. The Workforce Board uses its share to publish and distribute *Where Are You Going* and for advocacy and the promotion of career and technical education

Administration is limited to 5 percent and requires a dollar for dollar match. Each agency uses general fund state appropriations to meet this requirement. The Workforce Board is the designated state board for vocational education and is responsible for fund distribution, overall grant administration, including federal fiscal and programmatic reporting, evaluation and

accountability activities, and liaison with the U.S. Department of Education. The Workforce Board uses an appropriate share for its work in unified planning, accountability, and system performance management activities. These include: *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*; *Workforce Training Results and Net Impact Study*; *The Gap Between Demand, Supply, and Results for Postsecondary Workforce Education*; *Demand, Supply, and Results for Secondary Career and Technical Education*; *The Workforce Development Directory*; and *Annual Progress Report to the Legislature*

OSPI and SBCTC have responsibility for administration of their local recipients (244 local school districts and 34 community and technical colleges). This includes approval of local plans, fiscal and program compliance, monitoring, and other administrative activities.

Tech Prep programs combine two years of secondary education with two years of postsecondary education in a non-duplicative sequential course of study. SBCTC administers the programs and promotes articulation agreements between colleges and high schools in Tech Prep consortia. Tech Prep includes 5 percent for administration and 95 percent for programs.

Advance Planning for Carl D. Perkins Uses of Funds

In order to provide an opportunity for the Board to fully understand the history of federal funding for career and technical education, the current practices including uses of the funds and outcomes, and future planning considerations, the following tentative timeline for Board discussion and involvement is suggested.

<u>Board Meeting</u>	<u>Activity</u>
May 2004	Board adopts the 2004 Federal Distribution Matrix
June 2004	Background presentations on current uses and outcomes of the Perkins funds and Board guidance to staff on needed analysis
July/August 2004	Staff work with OSPI and SBCTC to respond to Board's direction
September 2004	Board discusses draft options for targeting investments
November 2004	Board takes action on priorities for agency planning guidelines
Winter 2004-05	OSPI and SBCTC send out planning guidelines
May 2005	Board adopts final 2005 Federal Distribution Matrix (when allocations are known)

Here is a summary of the secondary vocational education targets proposed for 2003-04 and 2004-05:

		Actual Performance	Actual Target	____Proposed____	
Perkins Measure		2002-03	2002-03	Target 2003-04	Target 2004-05
1S1	Academic Attainment	91.95%	94.13%	89.46% ¹	89.46%
1S2	Skill Attainment	91.95%	94.13%	89.46%	89.46%
2S1	Completion	91.95%	94.13%	89.46%	89.46%
2S2	Diploma	91.95%	94.13%	89.46%	89.46%
3S1	Total Placement	74.36%	71.58%	71.58%	72.08%
4S1	Participation Non-Trad	37.69%	37.78%	37.78%	37.78%
4S2	Completion Non-Trad	31.47%	33.13%	31.55%	31.55%
5S1	Earnings of Completers ²	\$9,604	\$9,286		
	Earnings in 2003 Dollars ³	\$10,424	\$10,694	\$10,529	\$10,634
5S2	Employer Satisfaction	81%	69%	-	80%
5S3	Participant Satisfaction	N.A.	95%	-	95%

¹ The new, lower, target is based on a larger, more complete group of vocational completers.

² Our 2003 CAR report compared results for the 2000-01 school year with the target for 2000-01. It should have used the target for 2002-03, which was \$9,852 in Q1 1999 dollars and \$10,694 in Q1 2003 dollars.

³ Our proposed targets for 2003-04 and 2004-05 are in Q1 2003 dollars.

Here is a summary of the postsecondary vocational education targets proposed for 2003-04 and 2004-05:

		Reported Performance	Target	____Proposed____	
Perkins Measure		2002-03	2002-03	Target 2003-04	Target 2004-05
1P1	Academic Attainment	56.47%	59.04%	58.25%	58.50%
1P2	Skill Attainment	56.47%	59.04%	58.25%	58.50%
2P1	Completion	56.47%	59.04%	58.25%	58.50%
	2001-02 Attainment ²	58.23%	59.04%	58.25%	58.50%
3P1	Total Placement	75.06%	72.44%	72.44%	72.94%
3P2	Retention	73.69%	71.73%	71.73%	72.23%
4P1	Participation Non-Trad	20.39%	19.29%	19.29%	19.29%
4P2	Completion Non-Trad	17.55%	18.63%	18.63%	18.63%
5P1	Earnings of Completers	\$24,919	\$21,389		
	2001-02 Earnings Measure ³	\$21,515	\$24,631	\$21,740	\$21,958
5P2	Employer Satisfaction	91%	75%	-	90%
5P3	Participant Satisfaction	N.A.	91%	-	91%

² This would likely have been the result if the DLOA file for the 2001-02 school year had been available in time for the CAR report in December 2003.

³ This result cleans up the reporting of median wages and targets to reflect what should have been reported in the December 2002 CAR report if the DLOA file for the 2001-02 school year had been available and interpreted properly. Earnings and targets are on this line are expressed in 2003 Q1 dollars.

